

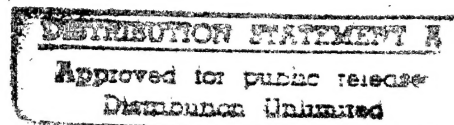
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West Europe Report

No. 2091



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20 January 1983

WEST EUROPE REPORT

No. 2091

CONTENTS

THEATER FORCES

FEDERAL REPUBLIC OF GERMANY

- Commentary on Soviets' Objections to Rogers Plan
(Adelbert Weinstein; FRANKFURTER ALLGEMEINE, 23 Dec 82) .. 1

NORWAY

- Poll Shows Seven of Ten Against NATO Missiles
(Einar Solvoll; AFTENPOSTEN, 28 Dec 82) 4

TERRORISM

FEDERAL REPUBLIC OF GERMANY

- Neonazi Arms Cache Seized in Berlin
(Hans R. Karutz; DIE WELT, 9 Dec 82) 5

ITALY

- Police Discover NAR Arms Cache in Rome
(IL TEMPO, 23 Dec 82) 7

ENERGY ECONOMICS

FINLAND

- Briefs
Energy Consumption Decreasing 9

ICELAND

- Decline Registered in Import of Most Petroleum Products
(MORGUNBLADID, 8 Dec 82) 10

NORWAY

Many Oil Policy Decisions Await Government, Storting in 1983 (Flemming Dahl; AFTENPOSTEN, 24 Dec 82)	12
---------------------------------------------------------------------------------------------------------------	----

ECONOMIC

FINLAND

Paper Views Problems in Finnish-Soviet Trade (Editorial, Per-Erik Lonnfors; HUFVUDSTADSBLADET, 9 Dec 82)	16
Briefs	
Drop in Chemical Exports to USSR	19
International Competitiveness Improving	19

FRANCE

Delors on Employers; Foreign Trade; Fiscal Policies (Jacques Delors Interview; L'UNITE, 19 Nov 82)	20
-------------------------------------------------------------------------------------------------------------	----

ICELAND

GNP Remains Flat for Second Year in Row (MORGUNBLADID, 1 Dec 82)	28
Exports Decline by 11.5 Percent in First Ten Months of 1982 (MORGUNBLADID, 7 Dec 82)	30
More Details on Drop in Exports (MORGUNBLADID, 11 Dec 82)	31
Briefs	
Unemployment Continues Rise	34

NORWAY

Poll Confirms Population's Expectations of Worse Economy (Morten Abel, Bjorn H. Tretvoll; AFTENPOSTEN, 20 Dec 82) .	35
Finance Minister Presthus Defends Government Policies (AFTENPOSTEN, 20 Dec 82)	38
OECD Director: Norway More Exposed to Cost-Level Dangers (Elisabeth Holte; AFTENPOSTEN, 23 Dec 82)	40

POLITICAL

FINLAND

Koivisto Discusses 'Arafat, USSR Ties, Election Campaign (HELSINGIN SANOMAT, 6 Dec 82)	42
Sorsa Proposes Plebiscite on Nuclear-Free Zone (HUFVUDSTADSBLADET, 28 Nov 82)	45
Vayrynen Attacks Sorsa, Virolainen for Foreign Policy Moves (Erik Appel; HUFVUDSTADSBLADET, 28 Nov 82)	46
Political Analyst Borg: Conservatives Taking Workers From CP (HUFVUDSTADSBLADET, 29 Nov 82)	49
Briefs Progressive Party Revival Weighed	51

GREECE

Results of Papandreou's 'Multi-Dimensional' Policy Noted (Various sources, various dates)	52
Errors Pointed Out, by Pavlos Kanvysis Gap in Relations With the West, by Rikhardos Someritis	
No Russian Influence Seen Behind KKE (EXORMISI TIS KYRIAKIS, 11 Dec 82)	58
KKE PB Member Tsolakis Interviewed on Background Views (Mick. Dimitriou; TO VIMA TIS KYRIAKIS, 19 Dec 82)	59
Reported 'Monolithic' KKE Unity Said Belied by Events (Stelios Alexopoulos; ELEVTHERTOTYPIA, 14 Dec 82)	65

NORWAY

Conservative Party Retains Lead Over Labor in Membership (AFTENPOSTEN, 29 Dec 82)	69
Labor Party Paper Sees Little Likelihood of Coalition Soon (Nils Ottar Ask; ARBEIDERBLADET, 24 Dec 82)	71

MILITARY

FINLAND

Sutela Address Viewed: Perhaps Cruise Missile Defense Possible (Editorial, Jan-Magnus Jansson; HUFVUDSTADSBLADET, 25 Nov 82)	74
---------------------------------------------------------------------------------------------------------------------------------	----

NORWAY

Official Discusses Solutions to Air Force Pilot Shortage (AFTENPOSTEN, 28 Dec 82)	77
Briefs	
Army Orders More Bofors RBS 70S	79

COMMENTARY ON SOVIETS' OBJECTIONS TO ROGERS PLAN

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Dec 82 p 10

[Article by Adelbert Weinstein: "The Russians and the Rogers Plan"]

[Text] It is pretty much immaterial whether there is a military expert by the name of Vladimir Golubkov living in Moscow. His name, his profession and the Moscow return address were all contained in a letter to the editor (entitled "A Moscow View of the Rogers Plan") which this newspaper published on 17 December. The letter, for all that, was forwarded to us by the Soviet embassy in Bonn. This makes one wonder whether the name Golubkov was not simply invented and whether the return address is spurious as well. But there is no doubt about the fact that the letter does represent an official commentary on the thoughts of the NATO supreme commander who would like to see NATO conventional strength brought in line with military-technological developments. The Rogers Plan seems to make the military command of the Warsaw Pact uneasy. Reason enough to mount a psycho-strategic counterattack.

Lies as a Principle

The letter is a cleverly worded polemic. While short, it does contain a great many accusations, some of them half-truths and some of them lies. Both in content and style the letter confirms Karl Jaspers' thesis that totalitarian systems turn to lies as a principle of political action. Just the same, great care is taken to cloak the lies with the trappings of incontrovertible truth. "In this manner," Jaspers said, "reality and fiction are combined..." This pattern of hard facts and assertions worded in the form of slogans calls for a response to Golubkov and the men behind him.

The writer states for example that the Rogers Plan calls for "carrying out thrusts deep into the hinterland of the socialist countries." But the plan is not really directed against the so-called socialist countries. Modern, technologically advanced NATO weapons systems are to be used against 2,685 stationary and moving targets of the Warsaw Pact, according to the American periodical ARMED FORCES JOURNAL. These military targets include 162 Red Army supply centers; 72 airbases of the Red air force; 191 strategic bridges, roads and military structures used by Russian divisions acting as occupation forces in the Eastern satellite nations—or moving targets such as motorized units moving to the front, headquarters staffs, reinforcements, rail transports and the like (1,684 classic military power concentrations in all). In addition, there are mobile nuclear launching pads and their supply units (576 targets in all). The overall idea is to hit Warsaw Pact forces operating at a strategic depth of 800 kilometers and their infrastructure in a counterthrust.

Golubkov goes on to say that the Rogers Plan, as distinct from existing NATO doctrine, prepares the ground for "an immediate introduction of offensive operations directed against the Warsaw Pact countries." Not so. Once again, one must refute the contention that these defensive operations are to be directed against the countries—which is another way of saying against the civilian populations. NATO is defending itself against conventional forces which are vastly superior. But any military expert will tell you that all defense planning must call for mounting a counterattack to meet the enemy offensive.

Existing NATO plans are not rigid. The Western security forces would not remain in a "Maginot position," if the enemy began to move. But the lack of strength on the ground would force NATO to hold back in conventional warfare. Deep counter thrusts would be impossible. But some day, they will be possible with the aid of more sophisticated electronic surveillance methods and technologically more advanced weapons systems. And in that way, the deterrent number of our conventional units would increase.

Furthermore, the "initiation of offensive operations" by NATO units is subject to the political control of the governments. From a military-technological point of view the concept of "immediate introduction" is subject to interpretation. It is not only political control which would precede such a decision but also the evaluation of the results of reconnaissance. Only one thing is certain—that a Soviet surprise attack would be countered with lightning speed both along the iron curtain and far beyond it using weapons systems—as outlined in the Rogers Plan—which are equipped with "intelligent ammunition."

SA-10 Against Pershing I

Vladimir Golubkov then goes on to raise the polemical question of how the Soviet military command is to know whether missiles entering its airspace are equipped with conventional or nuclear warheads. The Red Army might be forced to respond with nuclear weapons immediately. That is an interesting threat. We have a simple answer to it: if the West is not attacked, it will not fire off any missiles. But if, as a consequence of a surprise attack, it is forced to react militarily, it is a moot point whether the response will be nuclear or conventional. The risk of nuclear retaliation is not removed through the Rogers Plan. The possibility of stabilizing deterrent strategy along nuclear lines is not denied.

But the Soviets know that. There is another worry they have that lies hidden in Golubkov's question. To counter the cruise missiles, the Red Army has developed the SA-10—which can also be used against the Pershing II. But this Russian surface-to-air missile is not of high quality. Soviet reaction time to defend against incoming Pershing II's is calculated at 30 minutes. But these missiles only take 8 to 10 minutes—which means that the Soviets have to revamp their entire command and control system to meet this new situation. They will also have to make technological improvements on their Radar and computer installations. The Russians, for that matter, are far behind the Western armed forces in computer technology.

Finally, the Rogers Plan is termed an "illustration" of the fact "that the Reagan administration is continuing to give thought to waging a limited nuclear war in Europe." The reason given is that U.S. strategic nuclear forces are being "detached from the defense of Western Europe." The opposite is the case. The Rogers Plan only makes sense as a part of Atlantic deterrent strategy, if the credible conventional cutting edge of the so-called triad is retained. NATO thinks of the triad as an interlocking defense mechanism which includes conventional forces, tactical nuclear weapons and strategic nuclear weapons—in this case the American weapons—for the purpose of providing complete deterrence. This clarification also takes the wind out of Golubkov's sails when he asserts that the Rogers Plan pursues egotistic American ends. [They mean for] "the Soviet counter thrust" to be directed "primarily against Western Europe and not the United States," he contends.

Golubkov's letter concludes with the assertion that the Rogers Plan will "heat up the arms race for the most modern conventional weapons." That is neatly put. From the Western point of view, it should read modernization and not arms race. There is only one sentence in the letter that does not need to be contradicted. The Rogers Plan, it says, "neither calls for a reduction of nuclear weapons, nor for a nuclear freeze." That is correct. But shouldn't this statement encourage the Soviets to present acceptable negotiating proposals in Geneva ?

9478

CSO: 3620/155

POLL SHOWS SEVEN OF TEN AGAINST NATO MISSILES

Oslo AFTENPOSTEN in Norwegian 28 Dec 82 p 3

[Article by Einar Solvoll]

[Text] Seven out of ten Norwegians oppose NATO deployment of new medium-range missiles in Western Europe, an opinion poll indicates. In a comment to AFTENPOSTEN, Prime Minister Kare Willoch said that these figures undoubtedly reflect a unanimous desire by the Norwegian people to view it as superfluous for Western Europe to replace the present nuclear missiles with new ones.

"Many may have answered on the basis of this common desire, without actually taking a stand on what should be done if the Soviet Union will not agree to reduce its nuclear forces," the prime minister said.

Prime Minister Willoch also said that there is certainly broad agreement in the population that Norwegian security policy should not be based on opinion polls but on the guidelines on which the political parties were elected.

The opinion poll, conducted for ARBEIDERBLADET by the Norwegian Opinion Institute, showed that 45 percent of Conservative voters rejected deployment. Among the 1,000 people interviewed, 69 percent rejected deployment, 27 percent were in favor and 4 percent answered "don't know." Some 77 percent of the women and 62 percent of the men were opposed. The opposition was greatest among SV [Socialist Left] voters, with 93 percent opposed to deployment. Some 81 percent of Labor voters indicated that they were opposed. Among those who voted for the Christian People's Party, 77 percent opposed deployment and Center and Liberal voters were 61 and 87 percent against deployment respectively.

In an interview with DAGBLADET yesterday, former Prime Minister Einar Gerhardsen indicated that there was no question that the Labor Party congress in the spring should pass a resolution on the dual resolution.

6578

CSO: 3639/45

NEONAZI ARMS CACHE SEIZED IN BERLIN

Bonn DIE WELT in German 9 Dec 82 p 4

[Article by Hans R Karutz: "Neonazi Group Rounded Up"]

[Text] Berlin--Just about one year after the attack on the "Mifgash Israel" Jewish restaurant by Arab terrorists Berlin once again got a bad press because of some Neonazi activists, including members of the police training academy. In a raid involving 130 policemen and four state prosecutors belonging to the political department, the authorities rounded up the "German Workers Youth Movement," a para-military organization, on Tuesday. They discovered an arms cache, Nazi and Reich eagle emblems, parts of uniforms, camouflage netting, large quantities of hate propaganda, gas masks and Wehrmacht steel helmets. "I am deeply shocked," Heinz Galinski, chairman of the Jewish community, told DIE WELT yesterday.

The surprise raid brought to light an apparently well-hidden underground organization. For some time, the Neonazis were able to communicate with each other by using a secret code. "We picked up their trail last fall when an issue of the so-called DEUTSCHER KURIER fell into the hands of national security authorities," said justice department spokesperson Regina Splott. "The paper carried a mug shot of Heinz Galinski with the legend 'wanted--dead or alive.'"

Having obtained official search warrants, the police appeared without prior warning at 6 am on Tuesday at the apartments in question. "They discovered knives, a large quantity of Neonazi publications, a Soviet carbine that did not work and even a cookie in the shape of a Swastika."

Of the parents of those involved, Ms Splott said: "Some of them were unaware of what their children were doing and had not noticed anything unusual inside the apartments, since the objects in question appear to have been well hidden. Others said they had tried in vain to stop their children from pursuing the Neonazi activities."

A large number of the young people already showed up in the security files by name. "Earlier, they belonged to the NPD, to the Viking Youth or to the "German Popular Socialist Movement," which was dissolved in January 1982.

In view of these incredible occurrences and the as yet open case involving harassment of a Jewish student at the police academy by some of his young colleagues, Heinz Galinski does not mince words. "I will now turn to the lord mayor and the president of parliament as well as all the political parties so that they will at long last start dealing intensively with the causes for the spread of radical right ideas among secondary students and other young people." It seems to Galinski that political education is not doing a proper job. "Berlin," he says, "cannot afford to be the source and the focal point of such occurrences which have not been combatted sufficiently so far."

Although he does not intend to make "blanket accusations" against top police officials, "I cannot understand," he says, "how it could be that such brutal treatment of a Jewish student could remain undiscovered for 2 years. That is just plain incomprehensible."

Galinski demands that "personal consequences regardless of rank and position" be drawn involving the directorate of the institution. It appears, he says, that the qualifying examinations do not go into the political views of the applicants or their parents. "I was impressed by the fact that a high-ranking official of the criminal police came to me the other day and said 'I am ashamed of myself, Mr Galinski.'"

Aside from the internationally known Ekkehard Weil case—the man who fired at a Soviet guard at the Soviet memorial in Berlin's Tiergarten—the other young Nazis and Neonazis are also known to Berlin's security authorities and the political division of the state prosecutor's office. The Office for the Protection of the Constitution listed some 500 activists in 1981.

Their small number should not obscure the fact that their actions are characterized by militancy and aggressiveness. There were 118 offenses in 1977; by 1979, they had tripled to 306. They involved the singing of Nazi songs; graffiti and posters; the use of Nazi symbols, and anti-Semitic attacks. The most radical group was the "Viking Youth." They put on black uniforms and hid their faces behind donkey's masks and marched down the Kurfuerstendamm carrying placards which read: "Anyone believing that Jews were gassed in German concentration camps is an ass." And in the Grunewald, they engaged in hand grenade training.

9478

CSO: 3620/153

POLICE DISCOVER NAR ARMS CACHE IN ROME

Rome IL TEMPO in Italian 23 Dec 82 p 5

[Article: "Terrorism: Successful Conclusion of Two Police and Carabinieri Operations"]

[Text] Seven rightist arrests; one leftist. The discovery of a cache of weapons.

NAR [Armed Revolutionary Nuclei] guns, machine guns, and pistols in the possession of two young persons in Balduina. The weapons had already been fired and used in killings.

Another NAR cache, containing weapons used to kill Police Captain Francesco Straullu and Ciriaca Di Rosa, a guard (killed in an ambush at Ponte Ladrone on 21 October 1981), was discovered by carabinieri of the Balduina operations department. They were kept in a basement at 8 Gherzi Street, which intersects De Bustis Street.

Those in charge of the cache were arrested. They are: 18-year old William Scoraflfi, an Italian citizen of German origin; and S.M.B., a 17-year old minor of Chilean citizenship.

The discovery of the cache was not accidental; rather, it was the result of investigations which had been going on for months in areas of the subversive right. In particular, with respect to the weapons that were found (many of which were fired in tragic terrorist events that occurred very recently), checks were started after the arrest of Enrico Campanini, which occurred last August.

The young man, barely 20 years old, was arrested by the DIGOS [Division for General Investigation and Special Operations], together with three other contemporaries after the discovery of a hiding place at 71 Nemea Street, where various weapons were found, including an "M12" submachine gun that had been fired in the Ponte Ladrone ambush. The carabinieri learned that, in addition to these weapons, the "blacks" had others that had been in the possession of Campanini. Thus they tried to establish who the present custodians of the cache were. They turned out to be the two young men who have just been arrested.

It appears that the investigators were also put on the track of the cache by some NAR "repentants."

Following is the complete list of the weapons and ammunition: a long 9-gauge "Mab," a 7.62-gauge "HK 43 submachine gun; a 7.62-gauge, model 1, "Garand" gun; a 7.62-gauge, model 1, "Winchester" rifle for alpine troops; a 222-gauge "Sig-Manurin" submachine gun; a 9-gauge "Sten MK2" submachine gun; a 7.65-gauge military "Mauser" pistol; a 6.35-gauge "Beretta;" a 6.22-gauge "Beretta;" a "Zeiss" precision telescope for the "Manurin;" and, as previously mentioned, hundreds of pieces of ammunition of various gauges, including some NATO 7.62's.

The "HK43" submachine gun and the "Garand," both 7.62-gauge, were used in the ambush against Captain Straullu.

It has been ascertained that the long 9-gauge "Mab" was one of the two that were stolen from two sailors at the Naval "Grazioli Lante" barracks on Randaccio Square on 14 November 1981.

The "Manurin," similar to others that were confiscated by the DIGOS from the hiding place on Nemea Street, could have been fired in the tragic robbery of two sailors at the Irnerio Square National Labor Bank, where Alessandro Caravillani, an innocent bystander, was killed, and where the black terrorist, Francesca Mambro, was also wounded.

While the two young arrested men were being interrogated by the magistrates in charge of rightist terrorism, all of the recovered weapons were being subjected to scientific examination.

Still in connection with the fight against terrorism, the DIGOS police arrested five young persons who moved about in the areas of the subversive right and 24-year old Sono Alessandro Romeo, a student, and an independent; 26-year old Eugenio De Rosa, a student; 20-year old Enrico Sammartini, a student in the School of Agriculture in Florence; 29-year old Luigi Agostini; 40-year old Alfio Chiocchi; and 23-year old Marco Farina, an independent.

Romeo, investigated previously in connection with the Centofanti robbery on Ramazzini Street, where the young rightist, Franco Anselmi, died, is charged with possession of ordinary weapons; De Rosa, an acquaintance of the super fugitive from justice, Della Chiaie, and with whom he probably made some trips to South Africa; and Sammartini are charged with participation in an armed gang, subversive association, and possession and harboring of both regular and military weapons.

On another front, Marco Farina, an independent, was arrested in the vicinity of Volsci Street. He had been wanted for a year as a member of the Territorial Communist Groups and his name was one of 10 investigated by Judge Priore. He is suspected of repeated attacks carried out since 1979.

BRIEFS

ENERGY CONSUMPTION DECREASING--The energy consumption during 1982 will remain at the 1981 level. The halt in the growth of consumption arises from a slowing down of the economy and, above all, from the lowered output of the forest industry, a high consumer of energy. According to the latest energy report issued by the Ministry of Trade and Industry, the amount of energy used in Finland during the period January-September 1982 is approximately the same as was used in the same period in 1981. The overall rate of consumption has caused a slowdown also in the rate of increase in the consumption of electricity. The entire amount of increase during the nine months amounted only to two percent, while use of electricity increased by four percent in 1981. The large proportion of energy that was produced from domestic sources was exceptional in the energy situation. Despite the dearth of rainfall in recent months, the production of hydroelectric power has remained at a high level. The proportion of the entire amount of electricity consumed during the January-September period produced from domestic sources was 32 percent. During periods of economic recession there is also a shift toward the least expensive energy sources, which increases the domestic source proportion. The use of oil refinery products dropped by 6 percent during the 9-month period. The consumption of coal has remained low, although the importation of it has continued at a uniform rate throughout the year. The consumption of natural gas declined slightly in the early part of the year. A constantly increasing proportion of the electricity produced in Finland comes from nuclear energy. During the January-September period the proportion produced from nuclear energy was 40 percent and the proportion from hydropower was 32 percent. The value of the energy imported during the 9 months dropped by 17 percent, or more than 11.3 billion markkas. The decrease in the value has resulted from both the decrease in importation and the decline in the prices of coal, crude oil, and oil refinery products. Of the energy that is imported, 4/5 comes from the Soviet Union, and up 84 percent from crude oil.

[Text] [Helsinki HELSINGIN SANOMAT in Finnish 5 Dec 82 p 36] 5955

CSO: 3617/40

DECLINE REGISTERED IN IMPORT OF MOST PETROLEUM PRODUCTS

Reykjavik MORGUNBLADID in Icelandic 8 Dec 82 p 2

[Article: "Around 16 Percent Reduction in Gasoline Imports"]

[Text] Total imports of oil and benzine decreased by 13.3 percent during the first ten months of the year. A total of 367,284.2 tons were imported this year compared to 424,056.2 tons during the same period last year. The value increase of imports between the years was more than 21.2 percent. The value of imports this year is nearly 1,035.6 million krona against 854 million krona during the same period last year.

Imports in gasoline decreased by 16 percent this year. During the first ten months of the year 145,905.4 tons were imported against 174,912.2 tons during the same period last year. The value increase of imports between the years was more than 18 percent. The value of imports for the first ten months of the year was more than 436.4 million krona against nearly 369.6 million krona during the same period last year.

Crude oil imports have decreased still more or by nearly 19 percent. During the first ten months of the year 105,053.7 tons were imported compared to 129,357.2 tons during the same period last year. The value increase between the years was only 5.5 percent. The value of imports for the first ten months of the year was nearly 204.9 million krona against nearly 194.2 million krona during the same period last year.

Benzine imports grew by more than 4 percent during the first ten months of the year, or from 74,830.7 tons to 77,841.9 tons. The value increase between the years was nearly 50.5 percent. The value of imports for the first ten months of the year was nearly 269.5 million krona against more than 179.1 million krona during the same period last year.

Imports of aviation gas fell by nearly 65 percent during the first ten months of the year. Imported were 774.3 tons against 2,191.3 tons during the same period last year. The value reduction between the years was around 55 percent, or more than 3.85 million krona against nearly 8.5 million krona.

Imports of jet fuel decreased by more than 14 percent during the year. During the first ten months of the year 36,708.9 tons were imported against 42,764.8 tons during the same period last year. The value increase between the years was nearly 18 percent. The value of imports for the first ten months of the year was more than 120.9 million krona compared to 102.7 million krona during the same period last year.

9857

CSO: 3626/19

MANY OIL POLICY DECISIONS AWAIT GOVERNMENT, STORTING IN 1983

Oslo AFTENPOSTEN in Norwegian 24 Dec 82 p 3

[Article by Flemming Dahl]

[Text] Taking all the necessary qualifications into account, it is possible to say the same thing now as at the end of last year--that the conclusion of the Norwegian oil adventure lies much further in the future than it did before, despite the fact that a whole year has gone by.

It is true that around 50 million tons of oil units--half of it oil and the rest gas--have been extracted from the Norwegian continental shelf in 1982, but at the same time much larger quantities of new extractable resources have been discovered.

It is estimated that the new finds this year amount to 300 million tons of oil units, perhaps much more. Saga Petroleum's possibly very large oil find in block 34/4, northwest of Bergen, is not included in the 300 million tons, since it is unlikely that the first test results from this find will be ready before the beginning of next year.

With the present development rate, a reserve increase of 300 million tons means that extraction activity on the Norwegian shelf will last 6 years longer than there was a concrete basis for anticipating at this time last year. But those 6 years will not come until far into the next century. At the end of last year, so much Norwegian oil and gas had been found already that extraction for several decades could be predicted.

If they stick to the timetable, much will be done next year that will have far-reaching consequences for the method and the rate of extracting and delivering Norwegian gas.

Basis for Debate

At the end of February, the government-appointed Mellbye committee will present its recommendations on state involvement in the oil activity, with special emphasis on the role the state oil company, Statoil, should play. This will provide an important basis for debate, but there is much to indicate that a final Storting debate on these matters will not take

place before 1984 at the earliest. At the end of April, the Skanland committee is scheduled to release a basis of debate material concerning the future tempo of oil activities and its importance for the national economy. Storting debate on this could also drag out until 1984.

It is expected that Storting will take a stand on the division of ownership interests and operator responsibility for the Troll field, northwest of Bergen, as early as the spring of 1983. Big Troll reserves have already been demonstrated by Shell as a result of drilling activity in block 31/2. Following the upcoming Storting debate, they should be ready for immediate drilling in at least one of the three promising adjacent blocks.

It seems obvious that the Norwegian companies, Statoil, Hydro and Saga, will acquire proprietary interests and operating assignments in the three blocks, but there is great suspense about the distribution. As new drilling progresses, the experts anticipate more confirmation that Troll contains enormous amounts of gas and thus large amounts of oil as well.

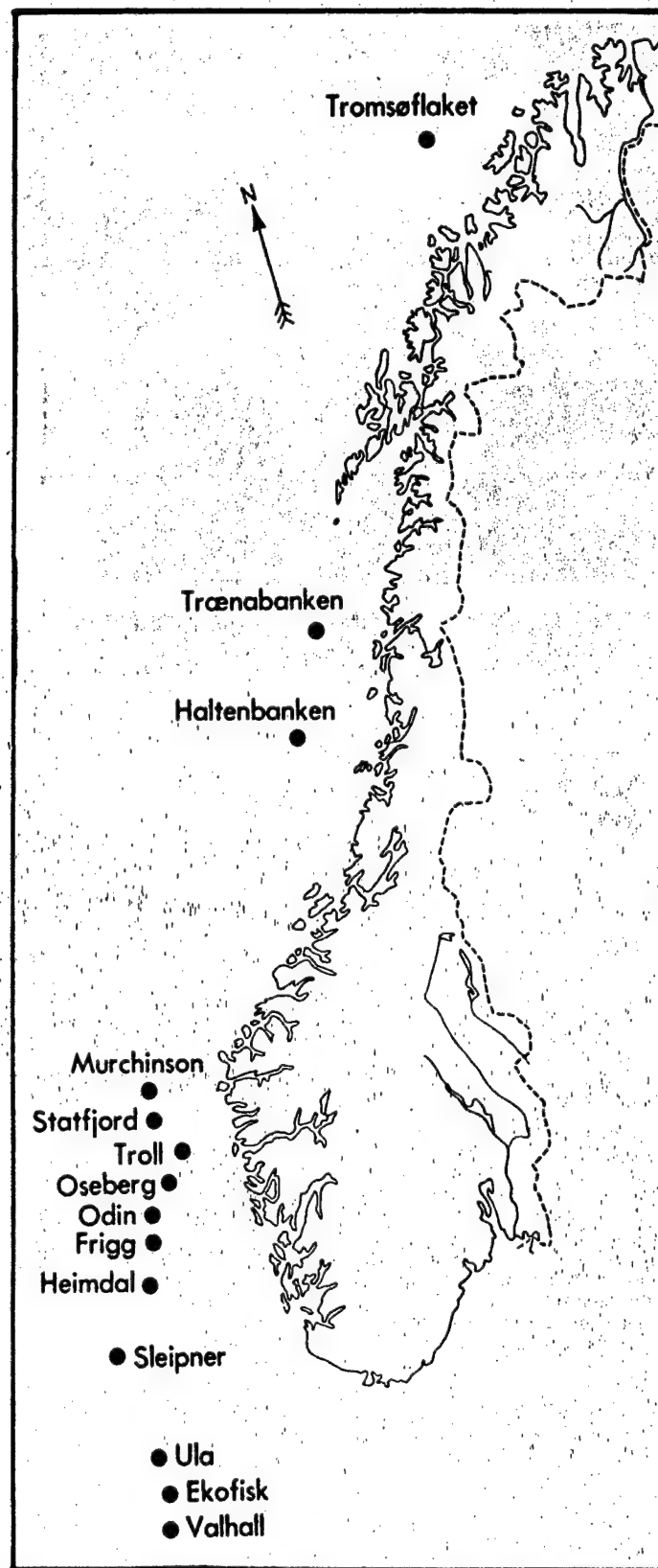
Shell's future as operator of block 31/2 is uncertain. Under the terms of the concession, responsibility can be transferred to Statoil at a later date. But for the time being, Shell is working hard to find out how the block should be developed with production facilities. It is anticipated that the company will present statements of profitability for the block in 1983. It is less certain that the development plans will be ready for presentation in the same year. In any case, no one expects the first Troll reserves to be extracted before sometime in the 1990's.

Development Plans

With regard to the gas in the Sleipner area southwest of Stavanger and the oil and gas in the Oseberg field further north, there is reason to anticipate a start of extraction as early as 1990 or thereabouts. Statoil and Hydro--the operators of Sleipner and Oseberg, respectively--are expected to present both statements of profitability and development plans in the course of 1983.

In the spring Storting will decide whether to let a fourth Norwegian oil company loose on the shelf, in addition to Statoil, Hydro and Saga. The government has reserved a small share of the Oseberg field for such a company. Everything is ready for the formal establishment of Norexplor, if Storting gives it the green light.

Modern technology will be put to new tests in the Norwegian oil context next year too, among other things in connection with a possible new attempt to turn over the residential rig, "Alexander L. Kielland." Another form of advanced technology will be needed when the first laying of pipe on the ocean floor in connection with the gas delivery system, Statpipe, takes place starting at the end of March.



Two special ships will lay part of the Statpipe system in 1983 and will among other things make the first pipeline crossing of the 300-meter deep Norskerenna. The entire Statpipe system will be ready for use in early 1986 and will be used to begin with for bringing gas ashore for Norway and the continent from the Statfjord and Heimdal fields.

New Blocks

With regard to exploration, Traenabanken, off Nordland, is now open to the oil companies. The first drilling here will start in April. In 1983 the authorities will also advertise a number of new blocks for exploratory drilling in Tromsflaket off North Norway, Haltenbanken off central Norway and in the North Sea. It is uncertain whether drilling in any of the new blocks will get started before 1984.

The number of exploratory and demarcation drillings in 1983 is expected to come up to around 50, about as many as this year. The old record of around 40 was set last year. This year, 12 to 15 drilling rigs have been active on the shelf almost constantly and the number is expected to be the same next year.

While the annual production of 50 million tons of oil units this year is about the same as last year's production, 1983 production is expected to amount to somewhat more than 50 million tons, thus setting a new annual record.

Although many new oil-related events are expected in 1983, there has been no lack of such events in 1982. For example, oil extraction started in the Valhall field southwest of Stavanger--the fourth producing area on the Norwegian shelf since Ekofisk started up in 1971, Frigg in 1977 and Statfjord in 1979. Murchison--which got going in 1980--might be counted as a fifth area, but the field is mainly British and in contrast to the other areas, the drilling there is being done by Great Britain.

Not long after the Valhall start, the production platform Statfjord B--setting an international record for size--went into operation. Now it has also been decided to build production installations for the little Ula oil and gas field southwest of Stavanger.

Most of the big new discoveries in 1982--with the exception of the still uncertain Saga find in block 34/4 near Statfjord--were made at Tromsflaket, Sleipner and Oseberg. If the Saga find lives up to expectations, it will rank as one of the biggest Norwegian oil events in 1982.

6578

CSO: 3639/45

PAPER VIEWS PROBLEMS IN FINNISH-SOVIET TRADE

Helsinki HUFVUDSTADSBLADET in Swedish 9 Dec 82 p 2

[Editorial by Per-Erik Lonnfors]

[Text] "Finland's economy has been strengthened by the exportation of goods to the Soviet Union in the last few years. However, the trade between the two countries deserves the high-level attention it is now getting, both because capricious oil prices are creating problems as far as the trade balance is concerned, and because of the advent of more mutually advantageous forms of cooperation between the two countries," writes Per-Erik Lonnfors.

Today marks the beginning of a 3-day official visit by Soviet Prime Minister Nikolay Tikhonov to Helsinki, following a meeting with President Mauno Koivisto in Kostamus yesterday. The most important issue on the agenda is trade between the two neighbor countries. During the next two weeks, there will also be negotiations about the specific exchanges of goods, which will complete half of the 1981-1985 trade agreement.

Thus the economic cooperation is getting rather high-level attention and, besides, by two leaders with keen economic insights. This is completely motivated by the importance ascribed to the trade between Finland and the Soviet Union. Last year, some 25 percent of Finland's export was destined for the Soviet Union, while 24 percent of our import came from that country. With respect to Finland's second largest trade partner, Sweden, our neighbor to the west, the figures were 13 percent of our export and 11 percent of our import. As for the Soviet Union, Finland is its second largest trade partner in the West, next to the Federal Republic of Germany.

Crude oil completely dominates our import from the Soviet Union, comprising almost 90 percent of it in the last few years. Since the trade between our two countries is bilateral--despite the occasional surplus or deficit--it means the volume of trade is determined by rapidly changing oil prices.

According to the diagram shown, rising oil prices on the world market have opened the possibility for steep growth in Finnish export. Thus, trade with the Soviet Union doubled during 1980-81. The figure was much higher than that for certain types of goods--the clothing industry, for example, quintupled its exports in 1979.

Finland has obviously benefitted from this trade. In contrast to many other countries, Finland has been able to pay for the expensive oil with its own labor, without having to earn foreign currency on the Western market, which has been hit by a prolonged economic recession. Thanks to our trade with the Soviet Union, Finland has avoided difficult trade balance problems, which usually manifest themselves at the end of a period of economic prosperity when exports decline while imports remain high. Exportation to the Soviet Union has aided economic growth and employment in Finland in the last few years and thus contributed to Finland's reputation as a nation that knows how to manage its economy.

Since our trade is dominated by oil, the more unfortunate effect is that more stable oil prices have halted further increases in trade--the paradoxical result of an otherwise welcome price development. Thus, Finland cannot count on continued support for its production and employment. The situation is aggravated by the fact that both oil prices and the rate of exchange on the dollar seem to be heading downward. The lack of growing trade with the East can hardly be replaced by the weak improvement in export possibilities for the forest industry.

Another problem is that rapidly growing exports to the Soviet Union have created a huge temporary trade surplus--since imports have not kept pace--which is registered as a credit vis-a-vis the Soviet Union.

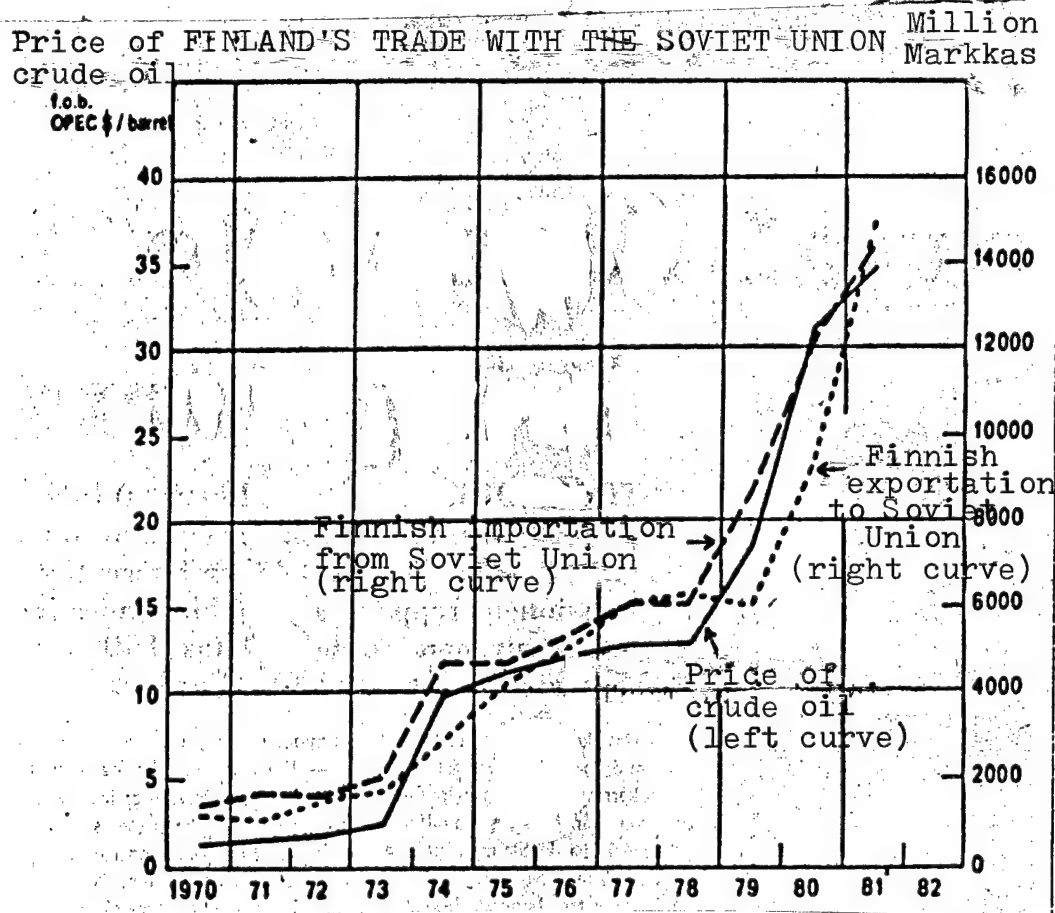
Even when there is bilateral trade there can be a so-called binding foreign currency reserve--in clearing rubles--since a large part of the metal industry's heavy exports, for example, are paid in advance. However, the trade deficit has greatly increased the clearing credit, which a short time ago amounted to a giant 6 billion markkas.

By a variety of measures that figure has lately been reduced to 2.8 billion markkas. One billion, for instance, has been deposited on an interest-bearing account in the Bank of Finland--while no interest accrues to the credit itself. However, solutions of that kind are only temporary; sooner or later, both credit and interest must be equalized by imports from the Soviet Union.

Since the credit in clearing rubles cannot be allowed to grow and neither of the parties is interested in abandoning the bilateral trade, other ways of balancing the mutually beneficial trade must be studied. Every possible way of increasing Finland's import of goods other than oil is, of course, being studied, but there are limited possibilities.

Lately, the focus of attention has been Finland's future energy supplies, which will have to be decided in the next few years. The Soviet Union is interested in delivering natural gas as well as aiding in the development of nuclear energy. In principle, gas is interesting, but that presupposes competitive pricing and does not remove the present problem of the trade balance since gas is tied to other energy prices. Nuclear energy, on the other hand, presupposes difficult political decisions at home.

But we may also need to reconsider Finland's exportation to the Soviet Union. There are many advantages connected with large construction projects, but they may be temporary since it is difficult to get new contracts, as we are experiencing today. Also, they do not develop skills that can easily be adapted to Western markets. It is in Finland's interest to develop trade that provides greater continuity, more significant results with respect to the national economy and technological strength, which after all will determine our ability to compete. The Soviet Union should also see the advantages of long-term cooperation, which might aid the economic decisions it obviously faces in the next few years.



8952

CSO: 3650/72

BRIEFS

DROP IN CHEMICAL EXPORTS TO USSR--(FNB)--The chemical industry has managed to maintain a reasonable production level for quite a long time. An examination of the individual product groups reveals, however, that the production volume has started to drop in all three main groups. The turning point in petroleum refining came 2 years ago, while in the chemical industry it occurred last year [1981], and in the case of all other chemical products, it happened this year [1982], said Yrjo Pessi, general manager of the Kemira Corporation, at the Central Chemical Association's fall meeting last Monday. One factor that has evened out the chemical industry's business trend has been its exports to the Soviet Union. But now those exports have also slackened. The value of the chemical industry's exports from January to September was exactly three-fourths of its exports the year before. The share going to CEMA countries was a few percentage points lower than the year before. Exports to the Soviet Union will also decline to some extent in 1983. Efforts to even out the trade balance will unavoidably prevent a repetition of last year's record figures. Despite that, said Pessi, the industry can be expected to maintain its strong position as an exporter to the East. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 25 Nov 82 p 19] 11798

INTERNATIONAL COMPETITIVENESS IMPROVING--During 1982 Finland has conspicuously improved its ratings in international comparisons in respect to industrial competitive ability. Finland has risen from 15th place in 1981 to eighth place, and it now leads all the other Nordic countries. For the fourth time, the Swiss European Management Forum foundation has commissioned a study of industrial competitive ability based on 245 factors. The study included all of the OECD countries and certain others that have recently become industrialized. The high rating attained by Finland is affected by the fact that it merited uniform point ratings in all of the sections, while many other countries received low ratings in various sections of the study. Japan emerged as number one on the list, with Switzerland as second, and the United States as third, in the same sequence as in the preceding study. The German Federal Republic was fourth, the Netherlands fifth, with a gain of two places from its 1981 rating, Canada sixth, and Australia seventh. Sweden, which was in sixth place in 1981, followed Finland in ninth place. The ratings are based partially on official statistics and partially on the personal evaluations of economists and the managers of enterprises in the industrial countries. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 6 Dec 82 p 36] 5955

DELORS ON EMPLOYERS; FOREIGN TRADE; FISCAL POLICIES

Paris L'UNITE in French 19 Nov 82 pp 2-4

[Interview with Jacques Delors, minister of economy and finance, by Guy Perrimond of L'UNITE, date and place not specified]

[Text] The economy holds a decisive place in political debate for obvious reasons. The Left is not trying to "administer" but to "change." Therefore, the economy and social relations are at the heart of any discussion. In addition, the crisis and the novel method used by the French Government to prepare France to emerge from this crisis can leave no one indifferent. And reactions are not only economically oriented. By denouncing the ENEDIC [National Union for Employment in Industry and Commerce] agreement this week, employers are trying to make the government responsible for measures that the CNPF [National Council of French Employers] does not seem to have the courage to take on.

Reviewing the situation with Jacques Delors, minister of economy and finance, presented an opportunity to step back and decode the administration's actions of the past 18 months. In short, by putting the current economic situation aside, we have an opportunity to reflect on the path taken since 10 May 1981, on the reactions of different social groups, on the prospects of our economy and on the role France can play in emerging from the crisis.

L'UNITE: Criticism of the administration by the opposition follows patterns. The latest involves analyzing the crisis. According to the Right, the Left did not know how to predict the crisis and its intensity. Consequently, your actions were doomed to failure. What do you think of this assessment of events?

Jacques Delors: I would like to refresh your memory. During the 1974 presidential election campaign, Francois Mitterrand based his analysis on the and consequences of the international crisis. This was not true of his opponent, Valery Giscard d'Estaing. Once elected, the latter had conducted French affairs while underestimating the severity of the crisis. I could cite overwhelming facts and figures to prove this. So much for our lack of foresight.

One of the characteristics of this crisis is the profound change in the relationship of economic and financial forces in the world, at the expense

of European countries which, it should be noted, had been the prime beneficiaries of the preceding period. At the same time as this change, an industrial, scientific and technical revolution was taking place. And in this respect European countries are 5 to 10 years behind the United States and Japan.

The combination of those two phenomena is serious. Delays of a political nature, from the European Community and France, will pile up gradually, without a sudden surge. This means a decline. Despite what France has done, we are not--at least not yet--experiencing such a surge. Rather, we are undergoing a deepening of the crisis. The reasons are simple: there are no longer rules to the game and on a financial and economic level we are living in increasing chaos. The Americans are letting the dollar rise to absolutely unjustifiable parities. Interest rates--even though they have gone down--are so high they discourage investment. Developing countries are crushed by debt that becomes more expensive each day the dollar reaches record highs.

As an obvious consequence, these countries can no longer buy, since they are barely able, thanks to new loans or gifts, to reimburse their debts. Oil producing countries, which from 1980 to 1982 fueled world trade, have seen their resources decline with the decrease in oil consumption and the relative decrease in the price of crude. Thus, they are also curbing their purchases. For their part, East European countries are also in a difficult situation. As for the industrialized countries--Europe, the United States, Japan--they are quarreling among themselves; discussions about the Soviet pipeline and steel are a reflection of their contradictions. As for Japan, which has reached a level of sizable economic power, it refuses to share the responsibilities of the world economy by not opening its markets.

In short, unlike what happened after the last war, industrialized countries are incapable of agreeing among themselves and of proposing to the world rules to play by that are as valid as those set forth after the last war and which, despite their deficiencies, such as unequal trade, resulted in the remarkable growth in world trade between 1950 and 1970.

We made this analysis--which mirrors the current economic situation--before 10 May 1981. And all our actions have been directed at finding a national and international way out of this crisis.

[Question] What can France do on an international level? With the current lines of force and what are now called national egotisms is there any hope for success?

[Answer] We must constantly propose a basis for a new international monetary and economic system to our partners. The president of the republic has taken many initiatives in this area and the members of his administration have also done so. It is true that for the moment our efforts seem to have fallen on deaf ears. However, there have been a few rays of hope here and there. For example, the fact that the English, the Germans and the French had the same viewpoint on a specific issue led the Americans to agree to an increase in IMF resources. This is not enough to resolve all the problems of developing countries, but nonetheless proves that we are headed in the right direction.

Similarly, France has presented, and then renewed, proposals for economic recovery to its European partners. This week in Brussels we proposed measures on the recovery of investment and employment and the restructuring of the workweek, proposals similar to those of the European Confederation of Unions. France's efforts in this area must not be underestimated. Even if we know that we must be patient for a long time.

[Question] Some would say that those are just words and speeches, because, above all, the matter of greatest concern is France. How have you changed your actions in the light of international restraints?

[Answer] First of all, we took the chance of a moderate recovery. And we were especially set on this because we wanted to keep our social commitments. Can you imagine the Left coming to power without making the appropriate gestures for the least well-off, those out of society's mainstream? But beyond the gesture, there was an element of support for the economy. We thought that French firms would find dynamism and courage in an expanding market. The bet was a risky one and was only halfway fulfilled. The figures show this well: consumption by the French increased by 3.7 percent in 1 year. But industrial production increased only 2.1 percent, which resulted in an abnormal increase in our purchases abroad. Among other things, this discrepancy means that our diagnosis on the state of French industry was not pessimistic enough, although we had certainly thought it was!

Because of the international constraint and the state of our industry, it was necessary to continue what we had started. And the originality of French economic policy (we can never emphasize this point enough) lies in a combination of austerity and dynamism. Austerity is the result of constraints and dynamism is the result of our will. Elsewhere, some are betting on austerity and others talk about dynamism. But austerity without dynamism means a steep drop in investments and spectacular growth in unemployment. And dynamism without austerity means staying one step ahead and, in the long run, unaffordable rates of indebtedness with foreign countries. The results of those who have chosen one or the other of these are convincing. If we want the French economy to "emerge," we have to use both systems. That is what we are doing.

[Question] Austerity was the wage and price freeze?

[Answer] I have often been told abroad, particularly by leftist circles, of how they were impressed by the calm courage of the French during the freeze and by the composure and lucidity of union organizations. Even though the accentuation of the world recession could push us into bleak pessimism, France has calmly used, and continues to use, its advantages.

First of all, the government has taken its responsibilities. For the first time in 30 years prices and income were frozen at the same time, which showed every category of Frenchmen that they were treated fairly. We proved to firms that it was not a matter of sitting on the furnace while waiting for it to explode; the price freeze was in fact accompanied by a very definite decline in their production costs.

Our gesture was courageous--some have said audacious or even rash--but economically balanced. And the results obtained during this period--a slowing of inflation--are due to the civic spirit of the French and in particular to the attitude of workers, both as employees and vigilant consumers. We must continue in the same vein.

[Question] Why didn't you implement a freeze sooner?

[Answer] In June 1981 it was necessary and we wanted to revive the economy. But it is difficult to push on the accelerator and the brake at the same time, especially since we were taking social measures that had an impact on production costs. If we had frozen prices then we would have created an explosive climate for firms' accounts.

Our results during this period were not meager, either in terms of growth or employment. Results were not as good for inflation and foreign trade, even though we reached an annual average of 12 percent for inflation instead of the 14 percent that we inherited. When it became obvious that the international recovery would not also be taking place, the situation became untenable, because you must realize that we do not have just friends in France and abroad. The peevishness and spitefulness that sometimes characterize certain supposedly objective economic analyses cannot have escaped the readers of "UNITE. The leftist experiment does not please everyone. Therefore we had to avoid any errors without renouncing any of our goals and had to pay a little more attention to our Achilles heels, inflation and foreign trade.

[Question] Hasn't the end of the freeze left some people worrying that austerity has hit lower incomes a little too hard? Some of your statements on the minimum wage have fanned these concerns.

[Answer] We have to be fair. Those with upper incomes are paying more than in the past--especially through taxes--to the financing of collective expenses. Solidarity must also be felt in this area, and a tax proportional to each individual's ability has been initiated to benefit those with the lowest incomes. This has resulted in an increase in the minimum old age payment, in retirement pensions and an increase in family subsidies at rates that were unknown these past few years. We know that there is still a lot to do and that there are many indispensable things to be put in order. As one example, the rise in the dollar puts the problem of the price of oil and its by-products in stark terms. Should they be paid for at their "just price"? If you want to help the French economy, the reply is yes. This is why we have implemented what has been called a new pricing system for petroleum products. This avoids having to raise 10 billion francs from the taxpayers. But this means an increase in the price of domestic fuel oil and therefore an increase in the expenditures of lower income households, which could be partially compensated for by the housing allowance. However, this is happening just as we are trying to balance the social security accounts. As you see, our concern for the daily life of the French people means that we do not base our evaluations solely on salaries....

To return to the minimum wage, the question is not to reduce its purchasing power. What is at stake is its growth. Can we improve its purchasing power

this year by 2.2 percent, 3 percent, 3.5 percent or 4 percent? Our goal was 4 percent. I simply indicated that it would be hard to stick to this goal, since economic growth was not 3 percent, as we had predicted it would be if the world recovery had happened, but only 1.5 to 1.7 percent.

[Question] Hasn't gradually increasing the minimum wage through the increases that have been implemented the past 18 months presented other problems in firms, particularly within the overall salary structure?

[Answer] Yes, because there are 1.5 million workers getting the minimum wage today. This presents certain firms--those employing a large number of workers at the minimum rate--with a real problem, since every increase in the minimum wage is liable to cause an increase in production costs that is difficult to bear.

The effect on the salary structure is also important. Not on the entire structure, but between skilled and unskilled laborers or employees. We have more and more indications showing that the most skilled do not appreciate being "caught" by those who are not skilled or who are less skilled. The government is aware of this distortion, because we are not among those who do not want to take into account effort and merit--in short, ability. It would be utopian to talk of a national effort if we were to discourage initiative, know-how and professional advancement. I therefore wanted to make the French aware of this problem and interest union organizations in it.

Because a solution does exist. All that is needed is to combine the increase in the minimum wage with negotiations by branch and by firm. The high commission for collective agreements, chaired by the minister of labor, will not only discuss the minimum wage, but on the basis of the minimum wage will discuss the policy toward low salaries. I myself will go to this meeting; this will be the second time for the minister of finance, which has never happened before.

In addition, it would be desirable for firms to look a little more closely at their salary scales by asking themselves what should be done to give more to the least well-off, while paying skilled work better, even if this means re-viewing the entire salary structure.

It is obvious that the state has neither the desire nor the means to use this approach in all firms. This can be done through negotiation. This is a new field for contractual policy, linking the salary structure and employment and training, as well as firms' productivity and performance. This is what I have called social agreements on competition.

[Question] Employers, for their part, have been talking loudly about the increase in their financial responsibilities. According to them, the responsibilities are such that it is no longer possible to be "entrepreneurs." What do you think?

[Answer] The government understands companies, but it is not always sure that it understands entrepreneurs. We know that firms are not cows to be milked, but the places where the wealth of a country is created. France needs prosperous

firms. For many years, from 1975 to 1981, their situation deteriorated. As one example, the six industrial firms that were nationalized distributed 3.4 billion in dividends during the 4 years preceding their nationalization. But they appealed to their stockholders for only 1.5 billion. For 1982 alone, we gave them 7 billion francs in definite resources.

For the private sector I tripled the amount of guaranteed loans and quadrupled participatory loans. On a practical level, the president of the republic decided to exempt the manufacturing infrastructure from the tax on wealth. The professional tax was too high; last April the prime minister decided to reduce it. The CNPF thought that investment incentives were not sufficient. An amendment to the appropriations bill will make this system more attractive. As for social taxes, the prime minister promised to freeze them until the end of 1983. Lastly, deflation will lead to a 50 percent reduction of the increase in salary and social expenses. All of that is not bad!

This is what caused me to jokingly say, "The employers wanted a tail and we gave it to them. They wanted an ear; we gave it to them. A second ear; we have it to them. Today they want the head and that's enough!" Businessmen must understand the extent of our efforts. They must understand that the French have voiced their opinion for 7 years and that the law on workers' rights is only the simple enforcement of what is happening in neighboring countries. So what are they afraid of? What are they complaining about? In a difficult world the leftist government offers businessmen the possibility to fight and to develop. So why such a racket?

Everyone must realize that group pressures, wherever they come from, are unacceptable. What is at stake is governmental authority as designated by universal suffrage. And this government will demonstrate its authority, as well as its justice and understanding. Nothing today prevents an owner from taking charge of his firm and going beyond the difficult point of emerging from the crisis.

[Question] One of the major changes that the Socialists wanted was the reform of the banking system. This affects the conditions for and the possibilities of investing. Where are you in this area?

[Answer] The banking law must be distinguished from the needed reform in banking practices. The purposes of such a law are obvious: to set rules, make credit policy more democratic, protect the saver and interest regional savings and banks in their regions. This law is almost ready and my colleagues will soon start the necessary consultations, primarily with parties and groups in the leftist majority, as well as with professionals.

The reform in banking practices does not follow a text; it cannot be decreed. Changes in attitude rarely happen quickly. This is a long-term effort involving the training of thousands of individuals, bureau heads and professionals having relations with businesses. They must learn that although traditional criteria--profitability, security, liquidity--are important,

although nothing that constitutes the quality of French banks should be lost, it is best for them today to resolutely put themselves at the service of business and to grasp its needs better.

I gave them instructions for doing this and I regularly monitor their enforcement. My colleagues survey the regions and evaluate the banks with a problem. This is hardly spectacular work, but it has already borne fruit. This will be evident soon.

As for the rest, it must not be forgotten, for example, that a 1 percent decrease in interest rates means a savings of 10 billion francs for firms.... The positive results of the fight against inflation and the defense of the franc will take shape through further decreases in interest rates.

[Question] The results in foreign trade have not met your expectations. Why? And in the medium term how can we reestablish a balance?

[Answer] First of all, a clarification. Every country has rules limiting imports. France is less hypocritical than its partners; we talk a lot but do little. The others do a lot and talk a little. But there are limits. When a trading partner closes his market, we must know how to defend ourselves. This is the meaning of the measures taken against videotape recorders. You must remember that the European Community has negotiated unsuccessfully with the Japanese for 4 years. Shouldn't we object?

Next, a remark. The French recovery, even though modest, meant an increase of between 0.2 and 0.5 percent of their GDP's for our neighbors. In 1982 we bought a total of 40 billion additional francs of industrial products. Which is not meager. Suppose for a moment that our neighbors, while fighting inflation, also recovered. The result would have been that the European economy, instead of having almost zero growth, would have increased production by 2 percent. And our foreign imbalance would have been reduced because we would have been able to sell more to our partners.

But let's get down to the basics. Despite the industrialization efforts undertaken since 1945, a decisive step remained to be taken when the first oil shock came. We still had to understand and to admit that our territory is now the world. This still remains to be done, and under difficult conditions. Every attempt must be made to do this. Because in this area everything counts: technological choices, research, new products and credits, but above all the will of an entire people and the quality of business leaders, professionals, laborers and sellers. This is the meaning of the speeches by the minister of research and industry. Some have spoken of voluntarism. If voluntarism means doing everything possible to ensure the recovery of our economy and a decrease in unemployment, then I am a voluntarist. Because the French will judge the Left on its ability in this field. In other words, the national effort.

[Question] As you mentioned, workers' rights seem to worry employers. What do these new rights allow?

[Answer] In France laws were needed...where collective negotiation had sufficed elsewhere. What does this involve? First of all, workers and their organizations should be able to negotiate contracts on salaries, on employment and training policies and on the organization and structure of the workweek. This may seem obvious, but it still seldom happens. This therefore means developing collective negotiation, on of the pillars of economic and social democracy.

Next this means appropriately informing the staff's representative bodies about life in the firm, so that employees can give their opinion of their living conditions: hygiene, safety, training, etc. Lastly, and this is the only innovation in comparison to other countries, employees must be able to discuss their work conditions. Because work can be enriching and firms would then benefit from a capital of know-how, initiative and creativity that today lies fallow. The time of "work and be quiet" is over. We know that there is no opposition between the social and the economic. Rather, a new approach to social problems will enable a good number of economic problems to be resolved more easily.

The changes to come are sizable. If you go beyond the firm it is obvious, for example, that when there will only be 35 hours of work per week employees will be more demanding as to their activities outside work, their housing and their surroundings. This will create new needs which will encourage economic growth. Those who dogmatically contrast the decrease in work time with the national effort I was speaking of do not want to understand this. Not only is it necessary to divide work and restructure the workweek, but it can, it must, be thought of differently within the framework of an organization of social life and a new model of development. Just like the balance between the working life and the non-working life. All of this must be invented. Are we far from current problems? No, because our goal, self-managing socialism, will be the result of the will of the government, of stimulating laws and of experiments conducted within and outside of businesses by the French. And we will have given the French the possibility of expressing themselves, of creating, of working better and of living differently.

9720

CSO: 3519/191

GNP REMAINS FLAT FOR SECOND YEAR IN ROW

Reykjavik MORGUNBLADID in Icelandic 1 Dec 82 p 37

[Article: "Industrial Production Unchanged in Second Quarter"]

[Text] The results of the economic marketing calculations produced quarterly by the Association of Icelandic Manufacturers and the National Association of Craftsmen show that industrial production remained unchanged in the second quarter of this year compared with the second quarter of last. Sales on manufactured goods, on the other hand, decreased between the second quarter of this year and the same period last year.

Sales of manufactured goods grew in the second quarter compared to the first quarter and it may be concluded from the results of the calculations that sluggish sales are anticipated for the third quarter of the year. Backlogs were greater at the end of the third quarter this year than at the end of the first quarter. An unchanged labor force is anticipated for the third quarter.

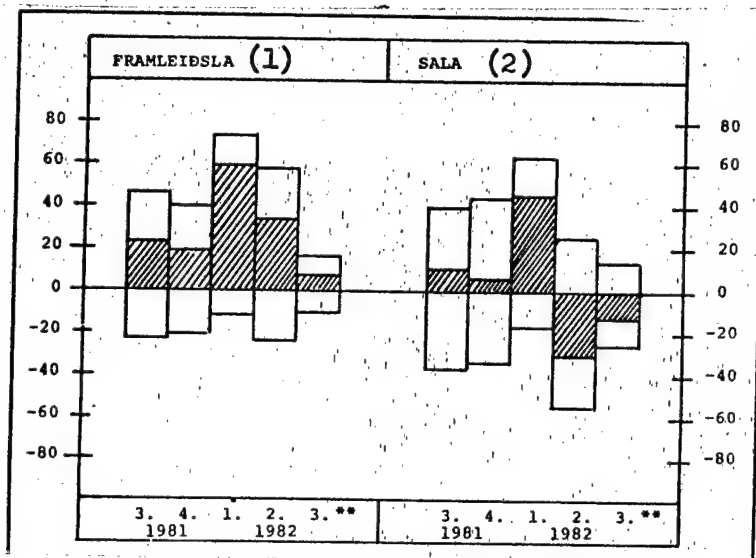
As stated above, industrial production was, by and large, unchanged in the second quarter compared with the same period last year. In terms of quantities, the survey shows a 2 percent increase in industrial production but aluminum production decreased by 0.7 percent.

When companies surveyed were asked to compare the second quarter with the first, 50 percent felt that the relevant manufacturing had decreased in the period in question and 30 percent felt that it had increased. Judging from this it may be concluded that production decreased on the whole during the second quarter of the year compared with the first.

At the end of the second quarter, future production plans for industry were less than at the end of the first quarter. During the second quarter backlogs of whole manufactured goods were more than at the end of the first quarter. Backlogs and the expectation of the companies that there would be a sales slump in the third quarter have resulted in the fact that most companies, or nearly 80 percent, have kept labor forces unchanged in the third quarter of this year. Some 16 percent of companies intended to lay off workers and 5 percent of companies planned to hire.

In the following table, columns denoting positive numbers represent the proportion of companies surveyed that felt that the operations in question had increased from the same quarter a year ago. Columns denoting negative numbers represent the proportion of companies surveyed that felt that the operations in question had decreased. Shaded columns show the difference between the abovementioned positions, i.e. the net outcomes. Company estimates for the third quarter are compared with the second quarter.

Table 1 Icelandic Manufacturing and Sales by Quarter



Key: 1. Production

2. Sales

9857

CSO: 3626/19

EXPORTS DECLINE BY 11.5 PERCENT IN FIRST TEN MONTHS OF 1982

Reykjavik MORGUNBLADID in Icelandic 7 Dec 82 p 32

[Article: "Exports Have Decreased by 11.5 Percent This Year"]

[Text] Total Icelandic exports have decreased by nearly 11.5 percent quantitatively during the first 10 months of the year. Total exports were 443,587.3 tons compared with 501,030.5 tons the first ten months of last year. The value increase between the years was only around 28.5 percent. The value of exports during the first ten months of the year was more than 6,320.7 million krona and the figure for the same period last year was more than 4,920.5 million krona. General price changes in Iceland were 55 percent during the same period.

Total exports of manufactured goods, on the other hand, fell by 4.5 percent. Total exports were 131,262.0 tons during the first ten months of this year and 137,518.1 tons during the same period last year. The value increase for manufactured goods between the years was more than 41.5 percent. The value this year was more than 1,465 million krona compared with more than 1,035 million krona the same period last year.

Exports of aluminum and aluminum alloy decreased by 9 percent during the first ten months of the year. In all, 49,022.5 tons were exported this year compared to 53,810.0 tons during the same period last year. The value increase for exports of aluminum and aluminum alloy was only 21 percent in the period under discussion. The value of the exports this year was 639.2 million krona and they were more than 529.8 million krona the same period last year.

Exports of diatomaceous earth grew by more than 33 percent during the first ten months of the year. Total exports were 34,458.6 tons this year compared with 25,990.0 tons during the same period last year. The value increase between the years is around 98 percent. The export value this year was more than 146.2 million krona against 99.2 million krona for the same period last year.

9857

CSO: 3626/19

MORE DETAILS ON DROP IN EXPORTS

Reykjavik MORGUNBLADID in Icelandic 11 Dec 82 p 52

[Article: "Exports of Manufactured Goods Have Decreased by 4.5 Percent During 1982"]

[Text] Total Icelandic exports decreased by 11.5 percent during the first ten months of 1982 and exports of manufactured goods decreased by more than 4.5 percent during the same period, as was reported this week by MORGUNBLADID. From closer examination of individual manufactured goods in the Industrial Export Center Survey, it emerges that there was a 4 percent quantitative reduction in the export of woollens during the first ten months of the year. A total of 1,217.0 tons were exported this year compared with 1,267.0 tons during the same period last year.

Woollens

The value increase in woollens exports between the years is around 53 percent. The value this year was more than 313.9 million krona against nearly 204.6 million krona during the same period last year. Included under the category woollens are woolen knit goods and their export decreased by 15 percent during the year. The value increase between the years was 42 percent. Exports of woolen roving and yarn more or less stayed the same and the value increase between the years was 67 percent. Exports of wool carpeting grew by 13 percent this year and the value increase between the years is around 82 percent.

Hides

Icelandic hide exports fell by 7 percent quantitatively during the first ten months of the year. A total of 425.9 tons was exported this year compared to 456.9 tons the same period last year. The value increase between the years was only 24 percent. The value this year was nearly 84.2 million krona against nearly 67.7 million krona during the same period last year.

Fisheries Products

Exports of fisheries products grew by 44 percent quantitatively during the first 10 months of the year. Total exports were 1,317.5 tons this year compared to 916.2 tons the same period last year. The value increase between the years was around 91 percent. The value of exports this year was around 36.2 million krona compared to 18.9 million krona the same period last year.

Discontinued Fisheries Productr

Exports of discontinued fisheries products increased by 45 percent between the years. A total of 1,911.4 tons was exported in the first ten months of the year compared to 1,322.1 tons during the same period last year. The value increased between the years is around 149 percent. The value of exports for the first ten months of the year was nearly 113.9 million krona compared with more than 45.7 million krona for the same period last year.

Diatomaceous Earth

Earth of diatomaceous earth have increased by 26 percent quantitatively between the years. During the first ten months of the year a total of 20,198.2 tons was exported compared to 16,067.5 tons during the same period last year. The value increase between the years was around 100 percent. The value of exports during the first ten months of the year was more than 52.9 million krona against more than 26.5 million krona during the same period last year.

Paint and Varnishes

Exports of paint and varnishes have fallen by 80 percent quantitatively. During the first ten months of the year 404.0 tons were exported compared to 2,008.8 tons during the same period last year. The value decrease between the years was 67 percent. The value of exports during the first ten months of the year was more than 6.8 million krona compared to more than 21 million krona the same period last year.

Pumice

Exports of pumice have decreased by 42 percent quantitatively. During the first ten months of the year 16,392.2 tons were exported compared to 28,483.3 tons during the same period last year. The value stayed more or less constant. During the first 10 months of the year the value was nearly 4.8 million krona compared to more than 4.8 million krona the same period last year.

Kelp Meal

Kelp meal exports fell by 33 percent during the year. During the first ten months of the year 1,503.4 tons were exported compared to 2,234.2 tons during the same period the previous year. The fall in value between the years was around 21 percent. The value of exports for the first ten months of the year was more than 4.8 million krona compared with more than 6 million krona during the same period last year.

Scrap Iron

Scrap iron exports increased quantitatively by 9 percent between the years. During the first ten months of the year 3,846.6 tons were exported compared with 3,537.9 tons during the same period last year. The value increase between the years was 58 percent. The value of exports for the first ten months of the year was almost 5.2 million krona compared to almost 3.3 million krona during the same period the previous year.

9857

CSO: 3626/19

BRIEFS

UNEMPLOYMENT CONTINUES RISE--"Unemployment is clearly much higher than the same time last year and things are getting worse with each passing day," said Gunnar Helgason, head of the Reykjavik City Employment Office, in a conversation with MORGUNBLADID. He was asked about the unemployment situation at present. Gunnar Helgason mentioned that 245 persons were now registered with the employment office compared to 107 at the same time last year. Registered unemployed have thus increased by almost 130 percent between the years. Of 245 persons registered, 184 were men and 62 female. Most of the unemployed were workmen and truck drivers. It is stated in a news release of the Ministry of Social Affairs that registered days of unemployment in Iceland were 12,129 during November. That is equivalent to 560 persons on the unemployment rolls for the whole month, or .5 percent of the estimated labor force. Registered days of unemployment in November were 6,500 more than in October and 3,000 more than in November of last year. The increase in days of unemployment in November was greater than for any month since days of unemployment were first registered in 1975 and 4,000 more than the average for 1975-1982 with both 1975 and 1982 included. During the first 11 months of the present year 170,000 days of unemployment have been registered for Iceland as a whole compared to 90,000 during the same period in 1981. The increase between the years is thus almost 90 percent. [Text] [Reykjavik MORGUNBLADID in Icelandic 9 Dec 82 p 2] 9857

CSO: 3626/19

POLL CONFIRMS POPULATION'S EXPECTATIONS OF WORSE ECONOMY

Oslo AFTENPOSTEN in Norwegian 20 Dec 82 p 11

[Article by Morten Abel and Bjorn H. Tretvoll]

[Text] The economic barometer, which AFTENPOSTEN published yesterday in cooperation with MMI, shows that there is no reason for optimism regarding the Norwegian economy. The barometer is based on interviews with 1200 people in October and indicates that people are steadily more pessimistic in their expectations concerning developments both in general and in their personal economies. In accordance with the agreement with MMI, AFTENPOSTEN has primary rights to publish the business cycle barometer which is calculated three times a year.

The main themes in the picture of the economic situation which AFTENPOSTEN's and MMI's cyclical barometer shows are a distinctly weaker development of the Norwegian economy, a continued strong price rise and increase unemployment. While 50 percent of those interviewed believe that the country's economic situation will deteriorate, only 24 percent believe that their personal situation will worsen.

The barometer's index, which is based on the answers regarding three key matters being investigated, has now fallen to 44. This figure is based on the answers provided in October. The corresponding index for the May inquiry was 59, while the index last October was 92.

The barometer thus forecasts a weakening in the general economic situation. While 23 percent in October last year believed that the country's economic situation would deteriorate in the next 12 months, it has now reached 50 percent. Only 10 percent believe there will be an improvement in the next 12 months.

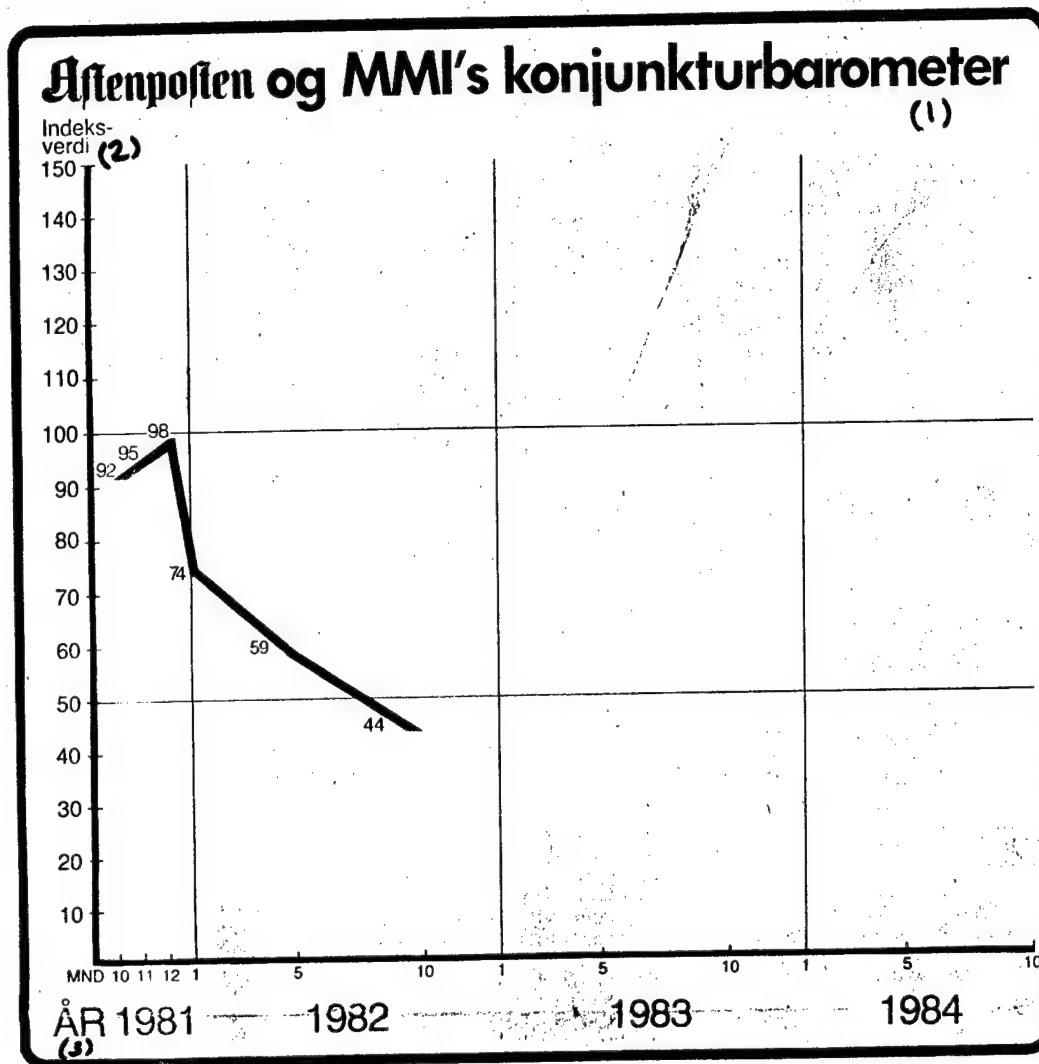
The investigation reveals little confidence that the development in prices will abate in the future. Seventy-five percent of those questioned believe that prices in the next 12 months will rise just as strong, or more strongly than at present. Only 17 percent believe that the price rise will diminish.

Optimism is a bit stronger in regard to an evaluation of their own situation. More than two-thirds of those questioned believe that their own economic situation will remain the same (52 percent) or improve (16 percent) in the course of the upcoming 12 months. Twenty-three percent believe that the situation will "worsen somewhat," while only one percent believes that it will "worsen seriously."

Pessimism is, on the other hand, very strong in regard to the employment market. About 80 percent of those questioned believe that the number of unemployed will be higher than in October in both 6 and 12 months from now. Less than 5 percent believe that there will be any decline in unemployment figures in the course of the coming 12 months.

Not any particularly optimistic picture can be made for the longer haul. Twenty-seven percent believe that in five years the country's economic situation will be better, while 37 percent believed that Norway is headed for worse times. But at the same time 52 percent believe that incomes will be either much higher (13 percent) or a little higher (39 percent) in five years than today.

Despite the gloomy outlook only a modest number of those questioned indicate that they are having difficulties in making out on the incomes they have. Altogether, only 10 percent say that the money is not adequate or that they must use their savings to get along. Forty-five percent say that they are just getting only on the income they have, while 42 percent say that at their present income they had "something" or "a lot" to save.



Key:

1. AFTENPOSTEN's and MMI's economic barometer.
2. Price index.
3. Year.

6893

CS0: 3639/42

FINANCE MINISTER PRESTHUS DEFENDS GOVERNMENT POLICIES

Oslo AFTENPOSTEN in Norwegian 20 Dec 82 p 11

[Text] "This investigation shows that people understand that the country is in a difficult economic situation. It is interesting to note that most of them don't believe that it will affect their personal finances to any special degree. Everyone must make a renewed effort if we are to get the Norwegian economy on the right track." This is how the minister of finance, Rolf Presthus, comments on AFTENPOSTEN'S and MMI's economic barometer.

The key task in the coming year is to reach a wage agreement which improves competitiveness and thus helps to insure employment. It is clear that this will require most people to accept a decrease in purchasing power, but this decrease need not be very large, Presthus maintains.

"If the wage agreements are good, there can be a relatively quick shift in how things are going into a positive direction. After the new year we shall review the situation with the parties in the labor market. But I can say even now that it will be difficult for the government to stand idly by without intervening if the parties in the labor market with open eyes push through an agreement which weakens still further our competitiveness, and thereby endangers employment. If we don't get a reasonable agreement this time, I shall regard it as an indication that the bargaining system does not function as it should," the finance minister says.

[Question] "The government has said that the overall wage increase from 1982 to 1983 should not be more than 6 percent. Will people accept the decline in purchasing power which this involves?"

[Answer] "This investigation reveals that most people have a realistic picture regarding our economic situation. I hope that the representatives of the wage-earners will accept the consequences of this when demands are formulated during the spring negotiations. The decline in purchasing power being discussed will probably be regarded by most people as a modest problem compared with the difficulties which increased unemployment would entail."

Presthus maintains that if the wage increase is 6 percent instead of 10.5 percent, purchasing power will not be cut by more than one percent. This is because prices will rise slower with a small wage increase. Moreover, the real decline in taxes will be greater, the more modest the price rise is. Roughly speaking, the reduction in taxes will increase by a couple hundred million kroner for each percentage point the price rise is reduced.

Question "There are not many people, are there, who believe the government's estimates that the price rise next year will be less than this year?"

Answer "People here have become accustomed to a high rate of inflation and adapt to it until they realize that it is possible to have an economic policy with a smaller price rise. Wage contracts are also an important factor in price rises. Since so many people believe that prices will rise sharply, they don't think it is possible to get a moderate wage agreement. Better information regarding the relatively modest decline in purchasing power under consideration would provide the basis for a realistic agreement," Presthus believes.

Question "Doesn't a clear majority believe that unemployment will increase?"

Answer "I believe it reflects a development we can't ignore. We have weakened our competitiveness so much over many years that we are now in the situation that we must pay the price with more and more closed factory gates. Curtailment and eventual shutdowns are right around the corner for many concerns. It is important, however, to recognize that a significant portion of these problems can be attributed to international conditions, about which we can do little.

"With this agreement we stand at an important fork in the road: We chose either continued big wage increases, sharp price rises, weakened competitiveness and increased unemployment, or accept a minor decrease in purchasing power, improved competitiveness and thus secure and more employment.

"I think that most people are willing to bear their share of the burden, but that requires a fair distribution among the different groups. It is meaningless to demand moderation only from the wage-earners. This applies to all groups," Presthus emphasizes.

Question "A majority believes that the nation's economic position is getting weaker, but at the same time they apparently believe that their own economic situation won't deteriorate. What is behind this?"

Answer "It reflects the experience of recent years. People have managed to maintain a good standard of living, even if the country's economy has deteriorated. But there is a limit as to how long overconsumption can continue. In order to improve the nation's economy over the long run, it will be necessary to limit some aspects of our present consumption," Presthus says.

6893

CSO: 3639/42

OECD DIRECTOR: NORWAY MORE EXPOSED TO COST-LEVEL DANGERS

Oslo AFTENPOSTEN in Norwegian 23 Dec 82 p 9

[Article by Elisabeth Holte]

[Excerpts] "No, this is far from promising, and as far as Europe is concerned, we have not at all found any basis for prognoses of any upturn right away," says Kjell Andersen of OECD's division for national studies and economic perspective analysis. The main problem is pessimism: "People do not have either the desire or the ability to invest, and consequently there won't be any investment," he says.

In regard to Norway, Andersen emphasized the particularly poor competitive position we are in because of the high level of Norwegian wages and prices and because of the fact that wages and prices in Norway continue to rise faster than in the rest of the OECD area. He points out that inflation in Norway has been at 10-11 percent in the last 12 months. It may possibly go down somewhat but it will continue to be well over the average and will lead to increasingly greater problems for Norwegian exports.

"Up to now Norway has been in an unusually favorable situation because it has been spared the unfortunate development which the other OECD countries in Europe experienced and has the oil income on which to fall back. And the demand has been held up by price subsidies among other things.

"But with the recent increasing uncertainty with regard to oil prices, Norway will be steadily more hard pressed and not protected as formerly. In this connection special pressure will be on the wage agreements this spring. Personally, I don't see any room for any increase in real wages on the whole, if the emphasis is to be to protect jobs," Director Andersen says.

"Norway, to be sure, continues to be one of the countries which has the lowest unemployment in OECD but that comes not least from keeping employment up with the help of subsidies. It is hardly realistic any longer with the income from oil steadily more uncertain," he says.

"Too High An Estimate"

That the government regards OECD's estimate of a price rise of 10.9 percent from 1982 to 1983 in Norway as too high is evident from the press release of the Finance Department. The government points, among other things, to the fact that the Bank of Norway estimates, in its recently published report on the economy, the rise next year at 10 percent.

"The obvious goal of the government is a definitely lower increase in 1983 compared to 1982. The outcome of the wage agreements in the spring will be of decisive importance," the press communication states.

Moreover, the government believes that a shift in economic policies in key countries towards growth is required if steadily increasing unemployment is to be avoided. "These changes must be coordinated both timewise and in strength, and with the exception of the largest countries it helps little that individual countries change their policies," the government says.

6893

CSO: 3639/42

KOIVISTO DISCUSSES 'ARAFAT, USSR TIES, ELECTION CAMPAIGN

Helsinki HELSINGIN SANOMAT in Finnish 6 Dec 82 p 15

[Article: "Koivisto Willing To Grant Added Power to Parliament"]

[Text] Finland's President Mauno Koivisto stresses that he is still of the opinion that the position of Parliament ought to be strengthened through appropriate legislation. In an interview on television on the evening of 5 December 1982 the president said that in the process of enacting legislation it is logical to emphasize those parliamentary features which everywhere are endorsed and accepted in practice.

According to Koivisto the division of powers now functions in better fashion than actually predicated by the constitution.

Koivisto pointed out also that Urho Kekkonen, the previous president, had stressed that in the final resort the will of Parliament prevails over the will of the president, provided Parliament knows what it wants and then holds fast to it.

The president pointed out also that the powers of the president have not been used to the extent provided by the constitution. For that reason as well, the laws could be amended to conform with prevailing practice, according to the president.

Koivisto challenged the view that special interest organizations have attained too much power. The president feels that these organizations have not assumed any powers "that have not been relegated outright to them."

The special interest organizations received recognition from the president for the fact that they have often become involved in matters that could not have been realized through political means. As an example, the president mentioned the raising of social benefits and making them subject to tax assessments. The realization of that reform began only after the organizations gave their support to it.

Arafat Incident a Side Intrigue

The president was asked about his stand in the dispute during autumn 1982 concerning whether PLO Chairman Yasir Arafat ought to be invited to visit in Finland, and if so, who should do the inviting.

For a short time that dispute created a schism in the relations between Prime Minister Kalevi Sorsa and Foreign Affairs Minister Par Stenback in that the foreign affairs minister felt that "the matter was taken over his head." The dispute gave rise to discussion of the division of labor in foreign policy matters.

According to Koivisto the discussion about Arafat was some kind of a side intrigue in the exchange of thoughts between Finland and the PLO, which has been going on already for quite some time. Koivisto considered unfortunate that "the PLO and Arafat were bandied about quite a bit through no fault of their own" in that discussion.

The ensuing confusion notwithstanding, the actual topic of discussion and the posing of the question still continue to exist, according to the president, and hopefully they will lead to favorable results.

Koivisto feels that some minor procedural errors were committed in the Arafat discussions which, in becoming public, became magnified. He would have wished that the closing of that discussion had taken place with a little more finesse. The distribution of foreign policy duties among the various elements of government is functioning well, according to Koivisto.

No Criticism of Sorsa's Actions

Koivisto was asked also about the difficulties chairman Johannes Virolainen and Prime Minister Sorsa might be having in differentiating their domestic and foreign policy roles.

The president repeated the view that he had expressed during the Iceland visit, namely, that such situations could arise on the part of chairman Virolainen. Now we must watch, according to Koivisto, whether they will arise.

"In respect to the prime minister, it seems to me that I have had no need to express any such thought," Koivisto said. He considered it a valuable asset that the prime minister, who also functions as chairman of the cabinet's foreign affairs committee, has good international connections.

The president stressed at the same time that the strong stand taken by the international social democratic movement in the alleviation of tension and in the promotion of disarmament is a favorable factor on the international scene. On the other hand, the strong anticommunist stand in this movement during past years presented a burden in the relations of the Finnish Social Democratic Party with the East.

The President and the Parliamentary Election

The president described the drawing of his name into the parliamentary election campaign as a phenomenon against which he has sought to "harden" himself well in advance. On the other hand, the president displayed an embarrassed sensitivity in these matters.

"If there has been some loose talk, then it is possible for the loose talk to change suddenly into something quite serious. What may happen in the forthcoming election campaign is that many issues that are lightly presented may suddenly assume quite different proportions."

Koivisto said that he does not expect to be drawn "into the forthcoming national election campaign in any significant way." That avoidance, he feels, will occur more or less naturally without any special evasive action on his part.

A Warning Against Arrogance

Relations with neighbor countries in Finnish foreign policy, according to Koivisto, always take precedence over all other relations. "Finland participates in international intercourse on the basis of its own premises, and in quite many instances we refrain from taking a stand when that stand is in conflict with the conditions of the premise," Koivisto said.

According to the president, the premise for foreign policy must always be what is called "realistic." The danger that lurks in this, however, is that it can readily exceed bounds into arrogance. In that event the assumption would be that the method of approach of the Finns is at a morally higher level, together with presentations of moral condemnations of the methods used by others.

"This danger of arrogance, it appears to me, must be exposed and eliminated, while still adhering to the policy that has been adopted," the president said. The moralistic premise, the president said, is particularly suitable for the developing countries. Nonetheless, it cannot according to him be applied very extensively because the majority of the UN member countries are under military rule, or in any case are ruled in such a way that the citizens do not have an opportunity to select their own rulers.

Two considerations must be observed in the rendering of developmental aid, according to Koivisto, namely that the aid is given unselfishly and that the aid given will not become burdensome to the Finnish economy nor affect employment adversely.

5955

CSO: 3617/40

SORSA PROPOSES PLEBISCITE ON NUCLEAR-FREE ZONE

Helsinki HUFVUDSTADSBLADET in Swedish 28 Nov 82 p 2

[Text] Prime Minister Kalevi Sorsa (Social Democrat) is proposing that a test plebiscite be held in connection with the upcoming parliamentary election.

In that way, experience with plebiscites would be gained before making any decisions based on them. The prime minister is proposing that the test plebiscite be used to measure support for a nuclear-free Scandinavia.

Sorsa said in Seinajoki on Saturday that the subject of the plebiscite must be sufficiently interesting and that the citizens must experience the plebiscite as something positive. He mentioned that in the United States, a number of plebiscites concerning a freeze on current nuclear arsenals were held in connection with the congressional elections.

Sorsa said that as far as Finland is concerned, it is the issue of a nuclear-free Scandinavia that is of interest. That issue is so topical and interesting that it might be suitable as the subject of a test plebiscite, said the prime minister.

11798

CSO: 3650/69

VAYRYNEN ATTACKS SORSA, VIROLAINEN FOR FOREIGN POLICY MOVES

Helsinki HUFVUDSTADSBLADET in Swedish 28 Nov 82 p 9

[Article by Erik Appel]

[Excerpt] Anyone who wants to have a hand in conducting foreign policy ought to follow the president's will, said Center Party Chairman Paavo Vayrynen in Otaniemi yesterday. His remark was obviously directed at Speaker Johannes Virolainen and Prime Minister Kalevi Sorsa.

A power struggle over control of the foreign policy could be very harmful to our country, and besides, there is no doubt that the president would win an arm-wrestling match of that kind, he told the Center Party's party delegation, which is meeting for 2 days at the Dipoli in Otaniemi.

He stated that President Koivisto has the Center Party's full support.

He said that Sorsa need not worry about the president. The Center Party is ready to cooperate also with the current president.

He accused the Social Democrats, headed by Sorsa, of having launched their election campaign in an atmosphere of power politics with the aim of taking control of Finnish politics.

"That may be necessary if President Koivisto is to do his job successfully," he said emphatically.

"Minus Sign" for Virolainen

Johannes Virolainen was the target of criticism in a couple of the contributions to the general political debate, but he also had defenders among the delegates.

Eino Sipila of Kainuu did not like the publication of various letters (Urho Kekkonen's flood of letters) or the foreign policy round that has been engaged in (with Arafat and Poland).

He said: "I have placed a minus sign on Virolainen's otherwise impressive record."

Reijo Perala of the party's youth organization criticized those who have treated the era of Kekkonen's presidency in various ways, and he said, among other things, that the Center Party always supports the president in office--currently Mauno Koivisto. In a clear reference, he said that it is the president, and not the prime minister or the speaker of Parliament, who conducts foreign policy.

"With a Level Head"

Rauno Laukkarinen from Kuopio defended Virolainen's right to write about the past.

It is important that someone should do it, he said.

He said: "We have seen how diligently Virolainen's pen writes at our meetings," and he added that Virolainen makes his observations "with a level head." He also protested against the reopening of old wounds.

"Mouthpiece for Those in Power"

The Finnish Broadcasting Corporation's handling of news and current events was also the target in some speeches. Marjatta Vaananen says that she is standing by what she said.

She let it be known that Social Democratic candidates have been given a remarkable amount of air time now that the elections are approaching, and she referred in particular to the Paasilinna program. She spoke warmly of commercial television's news as a counterweight. She said that its task now is to show its independence.

Terhi Nieminen-Makynen, who, along with Juha Sipilainen of Lappeenranta, Erkki Maasalo of Espoo, Kimmo Sarkkinen of Pyhajarvi, and Risto Patrikainen of Joensuu, represented the Liberal People's Party, an affiliate of the Center Party, declared that there are clear signs that the Finnish Broadcasting Corporation is becoming the mouthpiece for those in power--meaning, at present, the Social Democrats.

This can be counteracted by allowing individuals and associations to become involved in radio and television activity--for example, through local radio and television programs.

She characterized the Liberal People's Party's relationship with the Center Party by quoting from Syrak's book, where it is said that if one is looking for a friend, one must do so in times of trial and not begin immediately to lean on that friend.

Paavo Vayrynen later took the sting out of the criticism during a press conference. He expressly exonerated TV news from that charge, saying that "it is non-partisan, and I have not been able to see any great difference between the news as presented by the Finnish Broadcasting Corporation and commercial TV."

"But there are elements of the Finnish Broadcasting Corporation's activity that we have not liked," he said, although he did not elaborate.

He admitted, however, that the politicians may be somewhat hypersensitive.

Rewriting History

In his speech, Vayrynen asserted that since the new president took office, certain persons and "quarters"--particularly those on the right--have tried to rewrite our history, especially as regards the "night frost period" and the "note crisis." This has occurred even in highly authoritative publications, he said, but he did not specify the persons and "quarters" in question.

He laid very special emphasis--and repeated it later--on the fact that the Center Party completely and fully supports President Koivisto in the latter's continuation of the Paasikivi-Kekkonen foreign-policy line.

He also spoke in favor of continuing the system under which the president is in charge of our foreign policy, a system implying that all those who feel called upon to participate in the conduct of foreign policy should see to it that they are marching in step with the president.

Social Democratic Hegemony

On the subject of domestic policy, he sharply attacked the Social Democrats, and especially Prime Minister Kalevi Sorsa, who he said were guilty of false witness. He repeated that after the election, the Center Party will aim above all at reaching a broad government solution between the Center Party and the Social Democrats that will also include the Conservative Party.

11798

CSO: 3650/69

POLITICAL ANALYST BORG: CONSERVATIVES TAKING WORKERS FROM CP

Helsinki HUFVUDSTADSBLADET in Swedish 29 Nov 82 p 5

[Text] The Conservative Party will soon be a bigger "workers' party" than the Communists.

The Center Party is a big and, in several national unions, growing trade-union party.

The Social Democrats are losing considerable ground among younger age groups in its old strongholds, the SAK [Central Federation of Finnish Trade Unions] and the STTK [Finnish Central Federation of Technical Functionaries].

That information, "shattering to a number of superficial notions," was supplied to the Center Party's party delegation by Prof Olavi Borg. He is a member of the Liberal People's Party, which is affiliated with the Center Party.

Professor Borg was presenting a study of the political spectrum represented in the trade unions as viewed from the standpoint of the "foot soldiers," its purpose being to shatter a number of typical superficial notions concerning relations between the parties and the union organizations, as he put it.

This is important to know, he said, because the special-interest organizations are now direct decisionmakers just as the parties are. They are also financing politics to an increasing extent and thereby also controlling it. It is therefore important, he said, to know whether their leadership groups match the political makeup out in the field, as is called for by the principle of representativeness.

Almost Half Are Uncommitted

Among other things, the study shows that 40 percent of the 1.6 million wage earners who belong to unions are uncommitted politically and have no clear political viewpoint. So far, that lack of commitment is lowest in the SAK (about 17 percent), but it increases sharply among that union's younger members.

Support for the Social Democrats drops substantially with each younger age group in the SAK (in which the share of support for the Social Democrats among those born no later than 1929 totals 45.66 percent, compared to only 26.17 percent

among those born in 1950 or later) and in the STTK, but rises slightly in AKAVA [Academic Professional Commission].

Support for the Communists drops slightly in the SAK (from 14.5 to 12.4 percent), but rises slightly in the organizations representing technical employees, where their total share is nevertheless very modest (between 2 and 5 percent).

Nonsocialists in Front in SAK, Leftists in AKAVA

The nonsocialists are making strong progress among the SAK's younger age groups (7.5 percent among those born no later than 1929, but 13.4 percent among those born in 1950 or later). Among the youngest members, the nonsocialists are already ahead of the Communists.

In the industrial unions, the majority of the nonsocialists belong to the Center Party, while in the sector of technical employees, the Conservative Party is in general the largest nonsocialist party.

On the other hand, support for the Conservative Party drops substantially in the TVK [Confederation of Salaried Employees] and AKAVA with each successively younger age group in those unions. In AKAVA, the Social Democrats and Communists are gaining ground.

Shift

So a strong shift is occurring in the younger age groups among politically committed union members, but at the same time, the old tradition of no commitment is also strong.

The nonsocialists are gaining ground in the younger age groups, and the Conservative Party will soon be a bigger "workers' party" than the Communists, said Professor Borg.

The Center Party and the political middle are also a large and, in several national unions, growing trade-union party.

A study made as far back as 1976 showed that the majority of the Center Party's voters were workers and technical employees.

But the farm population is and will remain a strong and above all homogeneous part of the party and its electorate.

11798

CSO: 3650/69

BRIEFS

PROGRESSIVE PARTY REVIVAL WEIGHED--The Kansallinen Edistyspuolue [National Progressive Party] was an influential party during the First Republic of the 1920's to the 1930's. Gradually however it shrank to nothingness and died a political death. Or perhaps not, if there can be faith in the written word. The mails contained a copy of a speech and some advertisements, one of them entitled "The Vantaa Greens--A Subordinate Section of Progressive Party Established." The organization began existence on 25 November 1982. The Progressive Party candidate from the Uusimaa election district was selected as chairman, who opened the discussion on the theme "How Diversity Is Experienced and Adopted." That is just fine. Diversity is a good theme, at least in respect to the numerous names that have been applied to liberalism in various periods in Finland. At first there was the Suomalainen Puolue [Finnish Party] which was subdivided into the Young Finns and the Elder Finns. The Kansallinen Edistyspuolue was established in 1918 to continue the work of the Young Finns. In 1951 that was combined into the Suomen Kansanpuolue [People's Party of Finland], while a part of the membership formed the Vapaamielisten Liitto [League of Liberals]. These reunited in 1965 as the Liberaalinen Kansanpuolue [Liberal People's Party] which in spring 1982 became a member organization of the Keskustapuolue [Center Party]. The sugar at the bottom: Those liberals who had become dissatisfied with the cliques in the party undertook the establishment of their own new party with the handsome title of Edistysliitto [Progressive League]. Not even an ideologically-inspired liberal can any longer remain abreast of such a flurry of titles. But nonetheless, that too may be progress, although one may not recall that the Edistyspuolue no longer exists. [Text] [Helsinki] HELSINGIN SANOMAT in Finnish 6 Dec 82 p 367 5955

CSO: 3617/40

RESULTS OF PAPANDREOU'S 'MULTI-DIMENSIONAL' POLICY NOTED

Errors Pointed Out

Athens AKROPOLIS in Greek 19 Dec 82 pp 4, 17

/Article by Pavlos Kanvysis: "Andrea's Five Mistakes in Foreign Policy"

/Text/ Is Papandreou's "multi-dimensional" foreign policy sound or, on the contrary, does it lead the country to multi-isolation?" The term "multi-isolation" belongs to a venerated friend who has greatly contributed in safeguarding our national interests and who is known for his integrity, sound judgment and dignity.

The question with which we started our column today is momentous because foreign policy mistakes are dangerous. They usually have severe consequences which cannot be rectified or whose rectification is very costly.

At every opportunity, the premier declares (he did so excellently during his interview the ABC-TV telecast when he assumed power) that he exercises a "multi-dimensional" policy because, he points out, such a policy better serves the interests of the nation and the people.

In principle, the exercise of a "multi-dimensional" policy is sound only under one necessary precondition: It should be implemented correctly. Its invocation should not simply constitute an effort to cover actions which often are inconsistent or improvised and therefore harmful to the country.

Committed Errors

The Papandreou government has committed--and is committing--serious errors in its foreign policy. The main ones are:

1. Our policy toward NATO.
2. Our policy toward the United States and particularly on the issue of deploying "Pershing" and Cruise-2" missiles in Europe.
3. The policy on the Palestinian problem.

4. Our policy toward the Arabs in general.

5. The policy toward Israel.

Our policy toward NATO is a mistake which is becoming wise if one considers the crisis presently existing in our relations with Turkey. An outstanding Greek personage has made the following wise observation: If we sever our relations with NATO, whom shall we rely on in the event of a dangerous crisis with Ankara?

The Twin

It will be a strategic foreign policy error if we simultaneously have bad relations with both Ankara and the West, if, that is, we open two fronts at the same time. The case is simple:

If we have problems with Ankara it is imperative that we have good relations with the West. Because only on that can we rely and only from that can we have help. We must understand this sometime...

If, on the contrary, we have problems with the West and NATO then we must have excellent relations with Turkey. A "twin" consisting of Athens and Ankara could gain a lot from all sides and would effectively protect the interests of both countries.

It is a fact that today our relations with Ankara are very bad. It is necessary, therefore, to develop as good relations as we can with NATO and the United States...

The Western Allies

What are we doing instead? We do all we can to poison our relations with the West and NATO. We continually create problems for which we could profitably apply a more flexible policy. We simply do all we can to embarrass our Western allies thus exercising within NATO a policy of benefit only to Moscow which of course is praising the Papandreu government for the problems it creates in NATO. Has not such "praise" created any concern on the part of Papandreu?

AKROPOLIS has absolutely no desire at all to question Papandreu's sound views and intentions to promote international detente and to safeguard world peace. But every man in this country, regardless of political orientations, believes that the premier's primary obligation is to protect the interests of the country above all and then "get involved in the quarrels of the great and powerful." Perhaps one should bring to mind what every simple man knows: When one gets in the middle of separating two persons who are beating each other one will eventually absorb most of the punishment...from both!

The Arabs

What we said is valid (*mutatis mutandis*) also in the case of the dispute between Israel and the Arabs, a dispute in which the Papandreu government has involved our country. We are certain that Papandreu has already realized the following:

First: How big is really the moral and material aid the Arabs are giving our country which today faces difficult situations on many sides? What has become of that "river of billions of dollars" which would flow to Greece as the pro-government ETHNOS had proclaimed in large, bold letters when Arafat with his large number of bodyguards "honored" us with his visit? Could, for instance, /National Economy/ Minister Arsenis tell us how many dollars our friends the Arabs have sent us in the past 14 months? Or could /Foreign Minister/ Kharalam-bopoulos enumerate the international meetings where our friends the Arabs have condemned Turkey and have defended Greece's rights?

I am raising these questions in good faith and without any intention of doing injustice to anyone. I address them mainly to our much liked friends, the Arabs.

Second: Following this stand by the Papandreou government, what are Israel's reactions toward him? (I do not intend to expand on such reactions today. They will be the subject of future columns.)

Finally, the policy toward the Americans--at least as the Papandreou government presents it to us--is mistaken. The impression has been created in the public opinion that "the Americans are to blame" for everything. Neither AKROPOLIS nor I intend to defend anyone. I do dislike such type of journalism. But whether we like it or not, the truth is that the Americans have always helped us in many ways.

The "Embargo"

We must not forget that the United States was the only country which imposed penalties on Ankara for the invasion of Cyprus, that the--democratically elected...--American Congress imposed an embargo on military assistance to Turkey and that this action resulted in providing for Greece, among other things, time to restore the balance of power in the Aegean. Does Papandreou know of any other country which has done anything similar for Cyprus and Greece? If he does, he should tell us.

At this point, one may refer--as an indirect answer to the above question--to the massive assistance the United States and the West are now giving to Turkey. Indeed, this is something very serious. And dangerous. Because the way things develop, the balance of power in the Aegean as Karamanlis and his Defense Minister Averof achieved it, will soon be upset.

The Airfields

Finally, in order to tell the whole truth we must mention a special and very important fact: The Americans--as was reported--signed an agreement with Ankara to modernize the airfields in East Turkey. The agreement also was signed within the framework of the massive assistance to Ankara. The question is raised: Did Moscow make any protest, any statement at all concerning the massive arming of Turkey and the 10 /to be modernized/ airfields?

These last questions are "dedicated" to Premier Papandreou, to all friends of America and to all friends of the Soviet Union. The simple, "humble" Greeks are waiting for an answer.

Gap in Relations With the West

Athens I KATHIMERINI in Greek 19-20 Dec 82 pp 1, 3

/Article by Rikhardos Someritis: "The Gap PASOK Opens with the Western Powers is Dangerous"

/Text/ The Greek government is opening up a dangerous gap /in its relations/ with the countries in Western Europe, because of its two-sided policies. This conclusion comes from the attitude of our country up to this time as a member of the European Community and of the western alliance. At the same time one has to note the consequences and the political cost resulting in the foreseeable future from the loss of the credibility the policy of the Greek government inspires--especially in the area of Western Europe. Our Paris correspondent, Rikhardos Someritis, reports the following:

Paris--Last Thursday, 3½ hours after the first dispatch of the French Press Agency from Gdansk announcing the kidnap arrest of Lech Walesa, French Premier Pierre Maurois mounted the rostrum of the French Senate to condemn without "diplomatic niceties" this new measure of the Polish junta. Maurois is the premier of the leftist government which includes communist ministers. This government did not think that the /premier's/ statement was enough. A little later, Minister of Foreign Affairs Claude Cheysson completed with equal severity the strong French reaction condemning this action.

Walesa was released this same evening. The objective of his kidnapping was to prevent him from speaking to a workers' demonstration in Gdansk. It is certain that the western reactions (which included strong if not public actions by many western communist parties) protected him, just as many Greek opponents of the colonels' junta starting from the present Greek premier were protected and released. Of course, the Greek premier did not owe his release to the actions of the eastern dictatorships.

The immediate reaction of the French socialist government but also the direct, open and multi-sided reaction of the western public opinion revealed once again the real, deep and dangerous gap which has been created between Greece and Europe, meaning "Western" Europe since as Premier Papandreou reminds us, there is also an Eastern Europe.

"Psychological Divorce"

All indications and all reports allow the very general conclusion that the PASOK government does not disengage the country from NATO or the EEC. But it is equally certain that together with the policy of participation in the Atlantic community and the EEC, the present Greek government wants to preserve the questions marks regarding its medium-range and long-range goals. At the same time it feeds the psychological divorce of many Greeks with the West.

Many foreign observers have noted that the official reservations expressed by the present Greek government in western meetings refer systematically to the relations with Moscow and the eastern camp, in a way that by using the slogan of "peace" attributes to the West aggressive and cold war intentions which it never attributes to the East.

The "Peaceful" Missiles

It is certain that the Europeans in general did not want to follow the extremist and, for this reason, dangerous attitudes of President Reagan and his advisors. But this does not mean that they overlook the Soviet danger whose existence is admitted even by many European leftists starting from the Italian communists. Few in Europe dare to say that the Soviet missiles existant for many years and definitely ready to destroy the vital centers of Western Europe are "peaceful" while the American missiles (which have not yet been constructed) constitute a cold war action and a danger of holocaust.

The Greek government propaganda systematically portrays the Greek participation in western conferences as missions of the "good" in the dark area of the "evil." It describes the discussions as "battles." And it issues--mostly for domestic consumption--communiqués in which reservations and vetoes are described as triumphs. This tactic of course is designed to "prove" that if PASOK's Greece is in NATO and EEC, the "line" remains ideologically unchanged. The question is whether or not they have correctly calculated the political cost of this "line" (and of the double vocabulary) abroad and its corresponding price domestically: for how long can a systematically anti-western public opinion--as it is desired by this propaganda--coexist with the West?

Certain additional indications intensify the question marks especially with regard to our relations with the European communities. Often--and in fact systematically--responsible government officials explain the issue of our induction into the EEC and of the memorandum as well as the consequences of this or that conclusion of the negotiations with the community exclusively in terms of arithmetic: how much we gain and how much we lose. "Today we are losing," these officials claim (and they say that this is the opinion of Papandreu as well) because the community resources that flow into Greece do not offset the "losses" of the Greek economy directly or indirectly as a result of the induction. The "argument" is based on statistics on Greek foreign trade with the EEC countries and the "indirect consequences" of the induction.

The Doubts in EEC

This "argument" may be a natural "weapon" in our negotiations with the EEC. But it should make the Greek officials think: the EEC officials are not "novices." As noted by many, Greece's position in the community may improve. But the real question is how could the Greek economy survive, with its structural problems (unrelated to EEC) which are known and old, without the resources and potentialities secured by the induction.

This lead certain suspicious observers to ask whether in the end certain groups if not the entire PASOK and the entire government are not preparing a future campaign on the "simple" slogan: "EEC is not in our interest."

An official who ought to know if the government structure works well was saying recently that "the government moves forward to demythologize and de-ideologize the EEC problem." He added: "After the discussions on the memorandum we will judge what we give and what we take. The future will be determined by this "calculation."

This means that the PASOK government sees the European communities exclusively as a trading area without other aspects, and that the only benefit for our country from the induction is--which according to the negative view it is not--commercial and economic. This means that the PASOK government--if it shares the views of the officials we must be expressing its views--does not consider the unification of Europe as a means for securing its independence and peace, nor the Greek induction as a long-term guarantee of its independence from enemies and "protectors."

If this is the PASOK line, the dissension of views and policy with the totality of the European political forces--even with the majority of the Eurocommunist left--is certain. Equally certain will be in this case the difference of views with the president of the Greek Republic. This is known to everyone in Europe.

Under the circumstances of the economic crisis no European leader belongs to the club of "naive ideologues" of a United Europe. Everyone defends by all means--often in violation of community rules--the national interests. But they all look for the strengthening tomorrow of the community ties through new steps toward European unification as the only certain prospect. All with the partial exception of Thatcher's Britain, who remains glued to the vision of a "community" with the big transatlantic brother.

Recently at the European summit meeting in Copenhagen, Papandreou stated that there are no national solutions to the great economic problems of our time--a statement which certainly has a "European" character. How to balance this with other opposing statements is the problem of the present Greek foreign policy--and (possibly) the problem of PASOK's internal balances.

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CSO: 3521/119

NO RUSSIAN INFLUENCE SEEN BEHIND KKE

Athens EXORMISI TIS KYRIAKIS in Greek 11 Dec 82 p 12

/Text/ There could not be a louder refutation of the familiar charge launched from time to time against KKE both by the Right and by a section of the traditional Left, namely, that KKE more obediently follows the Soviet foreign policy than the commentaries of the Soviet press during the last few days. Because, while KKE finds almost nothing that the PASOK government has done right in 1 year in office; while it accuses the government because of not having yet left NATO, not closing down the bases; while it accuses it of being the manager of the establishment, of the big bourgeoisie and the monopolies; and while it blesses in advance the outcry against the government's incomes policy, the Soviet press--which means the official Soviet position--notes the spectacular presence of our country both in the international arena and in the ranks of the Atlantic Alliance, as a factor of peace, detente and weakening of the cold war hysteria and of the frenzied escalation of nuclear armaments. The foreign policy of the PASOK government is charted independently and according to the interests of our country and its international orientation in the framework of defending detente and peaceful coexistence. In this context, it has already proved that even the small countries can contribute a great deal. Consequently, /the PASOK government/ does not want medals from anybody. Nor, naturally, from KKE which continues repentantly its policy of undermining /the government/ in every way on the altar of some dubious party benefits, when the only beneficiary of its policy is likely to be the Right and the forces of anomaly.

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CSO: 3521/119

KKE PB MEMBER TSOLAKIS INTERVIEWED ON BACKGROUND VIEWS

Athens TO VIMA TIS KYRIAKIS in Greek 19 Dec 82 p 20

[Article by Mick. Dimitriou: "Tsolakis the Man: KKE's Enigma"]

[Text] A much talked about person these days is Kostas Tsolakis, Politburo member of KKE and chairman of the organizational committee for the party's 11th Congress. The Right on its part has rekindled the rumors that Tsolakis is the "number one" intraparty rival of Kharilaos Florakis and that "he is the man who has the confidence of the Soviets more than anyone else in Greece."

The Left on its part noted certain "differentiations" in Tsolakis' views on the subject of KKE's confrontation with PASOK. The 59-year-old K. Tsolakis, secretary of Makedonia and Thraki Party Organizations [FO], gives the impression of an ordinary person, straightforward, undisguised. He appears to be a simple person rather than a devious one. He does not hide his thoughts and prefers to respond straightforwardly instead of talking in circles.

A person of considerable influence in KKE with the reputation of being a "leader enigma," Tsolakis agreed for the first time to give an interview in which he talks about himself, his political activities and about "all they say about him." We parted as he reminded me: "Look, let us stay on good terms..."

Kostas Tsolakis was born in 1923 in Peraia, a seaside village outside Salonica. His father, Yiannis Tsolakis, was a farmer, a small-time fisherman and a follower of [Greek statesman] Venizelos.

His father had seven children--five girls and two boys. In the summers, young Kostas worked in restaurants as a busboy to help the family make ends meet. When he finished primary school he went to Salonica to learn some vocation. At first he worked in restaurants and later he started as an apprentice cobbler. First he was assistant and then apprentice at the "Kantidis" shoemaking shop on Egnatias Street. That was in the years of the Metaxas dictatorship.

During the occupation, persecution and famine, K. Tsolakis, working here and there, joined the Communist Party. Why did he make that decision? "A combination of class criteria and the hatred against the conquerors," he explains. On 4 December 1942, he joined the illegal party organization in Salonica, and participated in its activities against the occupation forces--leaflets, anti-fascist slogans, contacts with guerrillas, helping escapees, etc.

On orders from the party he went to the mountains with 16 comrades from Salonica. It was early in 1943. There, on Paikos Mountain, he joined as a simple fighter in a small guerrilla band under Kapitan (Captain) Moskhos who had Baxevanis as his deputy. Later this organized detachment of fighters went to Vermion under Kapitan Kolokotronis. Tsolakis participated in many battles against the Germans, the Italians and also Bulgarian fascists. He distinguished himself--others say so--by his courage and command skills. For this reason he was chosen for training at the National People's Liberation Army ELAS Reserve Officers School. Four months later he was commissioned first lieutenant and was sent to Evros as commander, with headquarters in Didimoteikho, supervising the Bulgarian-Turkish frontier.

For the sake of historical accuracy it should be said that as a first lieutenant Tsolakis fought against the Bulgarian Komitadjis irregulars and faithfully carried out the orders of Markos Vafeiadis (and of the KKE leadership at the time) to safeguard Greece's territorial integrity at the time of the liberation. As a high level party cadre (we will see how and why) K. Tsolakis was among those who condemned without equivocation the "Makedonian error" of Nik. Zakhariadis.

Wounded Four Times

At the time of the Varkiza Agreement (12 February 1945) and the surrender of the ELAS weapons, Tsolakis was still in Makedonia. Shortly thereafter he left Greece and went to Yugoslavia in the area of Voivodina.

--What did you do there?

--I worked as a porter, trying to survive.

--Just that...?

--Just that.

--Did you go to Yugoslavia because you had ties with Tito's partisans or for other reasons?

--I told you I went there to work. Forget the rest...

--Were you sought by the police when you were in Makedonia?

--No. But you think the monarcho-fascists would have spared me?

Certain reports claim that Tsolakis stayed for a while in a group living camp of Boulkes where the known bloody clashes between groups of Zakhariades supporters and opponents took place. From Boulkes several trained cadres started off for the guerrilla campaign.

It is a fact that around the end of 1946--when the civil war had started to gain in intensity--Kostas Tsolakis came back illegally into Makedonia and joined the ranks of the "Democratic Army." He reached the rank of major, fighting for almost 3 years in all civil war clashes in western and central Makedonia.

He took part in all the battles in Grammos and Vitsi. He was wounded four times, twice seriously; in Vitsi in his spine, and in Amyndaion in his arms. These wounds and other smaller ones that have scarred his body often cause pain and irritation. He does not hide the fact that he has often been hospitalized in Moscow for treatment of these old wounds.

--What is the reason for your defeat?

--We, the communists, did not seek the war. We were pushed to this by the Reaction and the Americanocracy. The war was lost because what counts above all is the correlation of forces and this was unfavorable to us.

--There were no tactical errors? The question of Tito, the reserves, the abstention from the election of 1946?

--It's a long story. We would need hours...

It is a fact that Tsolakis was later one of those who accused N. Zakhariadis of many errors in KKE's overall civil war leadership and his decisions on the civil war.

A Cadre in Tashkent

After the end of the guerrilla war Kostas Tsolakis went to Tashkent together with another 15,000-17,000 Greek political refugees. For a year he worked as an apprentice technician in a factory and graduated as a "lathe operator." At the same time, he learned Russian in a special school; he can speak and write Russian well.

At the same time he was an apprentice (1950), Tsolakis married a Russian worker. They had two sons who today are technicians of internal combustion and live with their families in Moscow. His wife lives in a small apartment in Athens, in Exarkhia, with Tsolakis--when he is not away in Northern Greece. They live on 25,000 drachmas a month Tsolakis gets as a professional KKE party cadre.

In Tashkent, together with his efforts to earn a living, Tsolakis became an active cadre in the local KKE organization. He was soon elected organizational secretary, second to Panos Dimitriou. Tsolakis reportedly played a decisive role in the events of 1955 in Tashkent when there were bloody clashes and beatings between political refugees, and when 6,000 cadres were expelled and N. Zakhariadis was finally removed from the party leadership.

--What were your duties in the party organization of Tashkent?

--Organizational duties.

--And your role in the events of 1955 and then in 1956?

--Why do you want this? Is this an interview or an interrogation?

These events in Tashkent (controversial and "unspoken") in which local party and Soviet officials of the Khrushchev faction became the starting point for the rise of Kostas Koliyiannis as well as of Tsolakis to KKE's leadership.

According to the claims of Zakhariadis supporters (Grigoris Farakos was one of them at that time), Tsolakis acted forcibly against them in charge of trusted groups ("stooges") under the party pseudonym "Giannos."

The same circles say that Tsolakis used forcible and unrestrained methods to impose party discipline and submission in Tashkent in line with the views of the "anti-Stalinist" 20th Congress of the CPSU.

Zisis Zografos, a member of the KKE Politburo and later a revisionist, has accused Tsolakis in writing repeatedly of his "truculence," saying that "it was not right to use Zakhariadis' methods even against Zakhariadis."

--Have you written any articles?

--Very few. I like practical party work, you know.

Although Tsolakis refuses to speak about those years ("write anything you like; make it like a Russian salad"), the fact is that Nikos Zakhariadis in unpublished letters (in the hands of very reliable persons) accuses "Giannos" of repeatedly threatening him because he refused to order his followers to surrender and that he asked him to submit a "statement of repentance" for all the errors he had been accused of committing during his leadership (personality cult, launching of the civil war, Makedonian policy, the character of the guerrilla war, the downgrading of KKE's opportunities for legal action in 1945, etc.).

Precisely because all this political and historical reality is complex we think that it is not proper to equate the methods of certain cadres with the objective correctness of the objectives of those who carried out the removal of Zakhariadis from the leadership of KKE.

Under the Koliyiannis leadership, Tsolakis took over as secretary of the Tashkent party organization, considered ever since as a "man trusted by the Soviets" even after the Khrushchev period.

At the 8th Congress of KKE (1961) which ratified the condemnation of Zakhariadis' political and organizational line and established the Koliyiannis leadership, Tsolakis became a member of KKE's Central Committee. For the next several years he assumed broader organizational duties (leading the KKE party organizations in East and West European countries). At the critical 12th Plenum in Budapest which led to the split in KKE, Tsolakis became a member of the Politburo.

Since then (1968) he has maintained a strong party identity. It is not certain what high party schools Tsolakis has attended. He denies the rumor that he attended a very high Soviet school for party cadres and he attributes the rumor "to the familiar tactic of the reactionaries and the class enemies trying to hurt me and our party."

He says that he only attended the Beloyiannis party school in Bucharest where he studied for almost 3 years.

--It had a broad curriculum with ideological, historic, economic and organizational courses. You know some say that if you graduate from this school, no matter what your basic education is, it is as good as graduating from an academy.

Tsolakis denies that he came illegally to Greece during the dictatorship, for party work. The fact is that Tsolakis was the last member of KKE's Politburo that received permission to return to Greece. He remembers:

--The Karamanlis office had taken action for my return. The embassy in Moscow received instructions in April 1975. I went there and they tell me "sign these papers first." I looked at them; they were some pledges concerning my future behavior and my life and activities in the past. I said, "Do you know to whom you are talking?" They said, "This is the law." I replied, "I am not going to sign anything. I do not want a visa under those conditions." I left. A month later they called me to go to the embassy to pick up the passport. I came to Greece in June 1975.

During the first 2 years Tsolakis was secretary of the KKE organization in Peloponnisos. In the 1977 election he ran as a KKE candidate in the Akhaia nome and received 4,512 personal votes out of a total of 11,932 for the ticket. Later he assumed the leadership of the KKE organizations in Makedonia and Thraki and in last year's parliamentary election he was a KKE candidate for a deputy at large.

He underlines that he has no personal ambitions ("I fought against the personality cult") and he assures that with Kharilaos Florakis "we have long comradely relations and I respect him as the secretary of the party." Tsolakis claims that the charges against him from the Right and the "revisionists" have no other reason than to perpetuate the "myth of the slander that KKE is controlled from abroad" and, as he said, "we have no interventions in KKE's internal affairs from the CPSU or any other party."

Tsolakis admits that there are shortages and difficulties in the Soviet Union but he explains these weaknesses in these terms:

"The decisive thing is that year after year the life of the people over there gets better. The people steadily support the government and the party. With regard to the opponents you are talking about, I can tell you that if they were in power the Soviet Union could not have achieved all it has, from its strength to the conquest of the moon."

Tsolakis believes that all that has been written about his different views toward the PASOK government (hardening on the ideological confrontation and milder "practical" behavior) are not his separate platform but in harmony with KKE's general "theses."

--I do not have my own personal views; there is no Tsolakis faction. Kharilaos (Florakis) brings the problems to us, we discuss them openly and freely and we decide together.

He admits the difficulties KKE is facing in exercising influence in the frontier regions of Makedonia and Thraki. "There is fear, prejudice and general difficulties," but he states that the general picture from the party's rise in Northern Greece is satisfactory.

--In the last few years our membership in Makedonia and Thraki increased by 102 percent, our mayors from 8 to 11, the circulation of RIZOSPASTIS from 4,000 to 6,500 and our votes from 60,000 in the parliamentary election to 125,000 in the municipal. We are doing very well.

--How are things with the army? Are you working with the officers? If not, why?

--We have no contact with any Greek officer and we do not want any. In these matters it is often like playing with fire. The party has general principles of democratization, etc., for the armed forces. We, especially in the frontier regions, are busy with general issues, democracy and living conditions, which are of interest to all inhabitants. Nothing more, nothing less.

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CSO: 3521/120

REPORTED 'MONOLITHIC' KKE UNITY SAID BELIED BY EVENTS

Athens ELEVTHEROTYPIA in Greek 14 Dec 82 p 11

/Article by Stelios Alexopoulos: "The Congress: Are the Problems 'Monolithic?'"

/Excerpts/ KKE's 11th Congress opened in an atmosphere splendid in every respect, underlined by the presence of dozens of representatives from foreign parties and also leading figures of the country's social, political and intellectual life. The official atmosphere, the speeches and declarations constitute a perfect ritual guaranteed by the organizational ability which KKE certainly possesses. But beneath the surface let us not forget that above all a congress is a supreme moment in the rejuvenation of the party itself, that is, its ideology, its policy, its leadership. This side which is much more essential is the one that presents interest for the information of every citizen who wants to learn today about the developments in the country's third party in terms of strength.

The citizen, especially the citizen who is committed to the cause of social change--regardless of the label of a socialist or a communist--wants to be informed, not only on the positive but the negative aspects as well; not only for its successes but also the problems it faces and--why not?--the disagreements that come up over these problems.

It must be noted in this regard that KKE itself has not contributed in the context of its congress to such an informational effort, thus leaving much ground for misinterpretation and deliberate distortions. KKE was satisfied with an informational effort which had above all the character of well-organized public relations rather than real information. KKE tried, once again, to present an unnatural image of "monolithic unity."

When we say that this "monolithic unity" is unnatural it is because one finds it difficult to imagine that--in view of the gigantic problems KKE is called to face, as any other party that aspires to play a hegemonic role in the nation's life--it is possible not to have differences of opinion, even more acute rivalries. Certainly it is not difficult to uncover that such disagreements exist within KKE as well.

KKE and PASOK

One cannot but note that when last month Kh. Florakis speaking to foreign correspondents said that "there are many common points and common goals for KKE and PASOK" and that KKE's attitude "will depend on the PASOK policies," at the same moment Grigoris Farakos writing in KKE's theoretical review KOMEF expressed a diametrically different view.

Florakis' statements simply reaffirmed KKE's current policy which is designed to exert pressure on PASOK toward more substantial changes as understood by KKE. KKE apparently does not regard as closed the question of whether PASOK is a true force for Change, and avoiding confrontations defines the terms so that it will not be isolated from the great mass of the Greek people, which for better or worse looks at this time to PASOK as the agent of Change.

But at the very same time Florakis was making the above statements, G. Farakos was questioning the correctness of Thesis 37 saying that "in the 3 months since the writing of the 'theses' new real facts lead to the conclusion that PASOK has definitely turned into a reformist party."

He further questioned that it was possible "to have positive changes in the area of PASOK in the direction of genuine change" and called on KKE to redefine its policies at the congress toward a more hard line attitude.

Such a fundamentally different position between two leading party officials on a question of decisive importance--such as KKE's position toward PASOK--certainly does not reaffirm the image of "monolithic unity" and takes a broader political significance for the following reasons:

First, the problem of attitude toward PASOK is not some secondary issue. Instead, it has today divided the entire Left, traditional and not.

Second, the difference over this problem is not confined to just two leading personalities of KKE but--as shown in the dialogue preceding the congress--extends throughout the KKE body of cadres.

Third and most important, through the various assessments of PASOK it appears that this problem brings to the surface differences and feuds that exist within KKE on a series of political and ideological issues. This raises the question: To what extent can one speak not merely of different assessments on a specific problem but on different tendencies and orientations within KKE on more basic and comprehensive issues?

The Criticism

Such an assessment is reaffirmed also by the fact that while certain leading personalities in KKE believe that the party toned down to an unacceptable degree its criticism of PASOK and called for a harder attitude (as Farakos is doing), other cadres believe that "to judge everything by the harshness or mildness of criticism toward PASOK is deeply disorienting. We find it difficult to look

ourselves in the eye." The problem is found in KKE's delay "in shaping up its own vision of socialism based on our reality" and to put it against "PASOK's imprecise visions."

It appears then that the disagreements noted above refer to different orientations which exist within KKE leadership on more comprehensive and basic issues, regardless of their focusing today on the problem of PASOK.

Obviously the above statement that KKE "has delayed the shaping of its own specific socialist vision" is connected to much broader issues; issues which for the advocates of the "hard line attitude" are closed. Because if for one group confronting PASOK means that KKE has to develop its own socialist model, for the hard liners no such issue exists because KKE already has its own socialist model. A careful look in KKE's pre-congress theses shows what this model is like. Beyond some verbal updating it is a faithful transfer to our country of the social model found in the countries of the so-called existing socialism.

How and Why

The identification of these different orientations in KKE's leadership, a fact which has no relation of course to the cheap rhetoric about intrigues and leadership rivalries under Soviet arbitration--as peddled by the Right--feeds nevertheless a series of "hows" and "whys." How and why have such different positions emerged within the KKE leadership, in a party which until today was distinguished by its monolithic unity and dogmatic loyalty?

How and why did these differences emerge now and not yesterday or the day before? An answer to these questions would probably require a separate article. It is enough to note here that the appearance of different views and orientations reflects the same development problems facing KKE as they do any other contemporary institutionalized political party.

The special feature of these problems as far as KKE is concerned comes from a fact which has often been noted by political observers. The fact, namely, that between ideology and the policy it espoused since its reappearance on the political scene as a legitimate party after 1974--a policy and ideology inspired mostly by the views and dogmas of the communist movement of the last 40 years--and the needs that the same party faces as an institutionalized political organization, as it tries to adjust itself and develop in today's Greek reality, there is some distance (and in the view of some people, a gap). The identification of this distance naturally creates questions which at the level of leadership lead to the appearance of tendencies for some "modernization," while at the level of the party base they take the form of a more radical questioning. Nevertheless, it appears that KKE as a party continues to be dominated by an organizational-political body of cadres deeply attached to a dogmatic orthodoxy.

The absence of intraparty democracy, KKE's bureaucratic relationship to the mass movement, the view that socialism can only be the work of a single party, the critical attitude toward the negative experiences of the existing socialism, the Polish question, the need for a pluralist democracy in socialism, are some of the

issues touched upon. These issues reflect part of the questioning that emerges around the prevailing party policy and ideology.

Annoying

It is certain that the KKE Congress that starts tomorrow is not going to deal with these questions. So we go back to the point at which we started--the "monolithic unity." There is every indication that KKE's leadership has taken the necessary measures to make sure that the congress will be a congress of "monolithic unity." It will not be surprising if the 11th Congress turns out to be one more "hymn" to the party's monolithic unity. But how much will this move forward the solution of the problems the party faces?

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CSO: 3521/120

CONSERVATIVE PARTY RETAINS LEAD OVER LABOR IN MEMBERSHIP

Oslo AFTENPOSTEN in Norwegian 29 Dec 82 p 4

[Text] In spite of an intense recruitment campaign throughout 1982, the Labor Party has been unable to close in on the Conservative advantage with regard to the number of members. At the end of last year, the Conservative Party had 20,000 more members than the Labor Party, which has acquired 17,000 new members during the year. But that did not help, because the Conservatives acquired 14-15,000 new members since the party's recruitment campaign started in September. Fritjof Clemet, general secretary of the Conservative Party, described that as a respectable result in a New Year's interview with the Conservative Press Office.

"It is harder to acquire new members when a party is in the government. That makes it even more impressive that in spite of this, the Conservatives gained almost as many new members in 3 months as the Labor Party recruited in a whole year," said Conservative general secretary Clemet.

At the same time he pointed out that in 1982 the Conservative Party was the only one to have local societies in all municipalities. Modalen in Hordaland was the last municipality to join the Conservative family when a Conservative society was founded there in September. The 454 municipal societies plus a Conservative society on Svalbard mean that Norway has been united into one Conservative nation!

"Aside from us, not many political observers in this country would have dared predict such a high poll level for the Conservatives at this time, after 14 months in government office," maintained Clemet, who pointed out that the average figure for November, the last month in which all three polls were conducted, showed 30.2 percent voter support for the Conservatives.

The nominations made so far within the Conservative Party--for nine county council ballots and the three first names on the Oslo ballot--show that strong people are available to run for office and to work in other ways.

"It has been very gratifying to see so many people willing to make themselves available, both to insure adequate continuity and to guarantee the necessary renewal," said Clemet.

The goal for the election is to maintain the Conservative Party's strong position in the counties and municipalities.

6578

CSO: 3639/45

LABOR PARTY PAPER SEES LITTLE LIKELIHOOD OF COALITION SOON

Oslo ARBEIDERBLADET in Norwegian 24 Dec 82 p 7

[Commentary by Nils Ottar Ask]

[Text] When will we get a nonsocialist three-party government of the kind the Conservatives, KRF [Christian People's Party] and SP [Center Party] talked about forming if they received a majority in the last election? This question is now being asked with increasing frequency by the nonsocialist parties, the opposition and the voters. Why cannot the three parties take the full step when they already behave in such a united way?

Two periods would seem indicated for a future government expansion. At some point during next year, after KRF and SP have held their national congresses or at some time well before the 1985 election. If a nonsocialist coalition government is not formed before the next Storting election, the nonsocialist parties themselves fear they will have a poor alternative to offer in the election campaign.

See It First

The experienced parliamentarian, Guttorm Hansen, told ARBEIDERBLADET recently that he would have to see it before he believed it, when we asked him what the chances were that a nonsocialist coalition government would be formed sometime next year. He explained his skepticism by saying it was unlikely that Prime Minister Kare Willoch will weed out any of his staff in 1983 to make room for KRF and SP. At that point Willoch's men will have 2 years of experience under their belts, experience that is very important for a cabinet minister. And several members of Willoch's group seem to need another year in order to utilize their qualifications in the political context.

Still Open

Officially Willoch says that the Conservatives are still open to the idea of including KRF and SP. It is up to the two support parties to say if and when they want to sign on. But in political circles, a growing

number of people feel that the Conservatives are not really very eager to make room for the two parties in the government. The Conservatives are quite satisfied with the present arrangement and can utilize it to better outward tactical advantage than they could if the political clashes among the three parties took place behind closed doors. Now the Conservatives can use the government to outline their position and when campaign promises cannot be met, they can excuse themselves by saying that Storting will not lend its support.

Deadline 1985

But Willoch and the Conservatives are also aware that they must do something active to expand the government before the next election. They cannot stay on the fence throughout this entire period. The voters will not believe them if they again promise a nonsocialist government if there is a nonsocialist majority in the election. And it would not inspire much confidence if the three parties campaign on continuing on the present basis, with KRF and SP backing up a Conservative government.

Program

In addition to the congresses the three nonsocialist parties will hold in the spring, the government's work on the long-range program for the next Storting period will be of decisive importance in forming the basis for a joint government. If the congresses authorize their parties to enter into government negotiations at a suitable time, the preparation of the long-range program will ultimately determine whether there is a basis for government cooperation. And here KRF in particular could have just as much trouble as it had on the abortion issue in the past. Neither KRF nor SP can continue to swallow Willoch's viewpoints without the rank and file in both parties starting to react in earnest.

Tug of War

A tug of war is already going on between factions in KRF and SP over views on government cooperation. This disagreement goes all the way to the top of the two parties. The chairmen of both parties are eager to join the government, but there is great doubt and restraint about this among top party officials not far beneath them. And many make no secret of the fact that they oppose government cooperation with the Conservatives. This is true of both KRF and SP and could be a difficult judgment call for the parties. They must also take voter support into consideration.

Unlikely in 1983

The survey ARBEIDERBLADET made among the Storting groups of the non-socialist parties, the results of which were published yesterday, showed that there is little enthusiasm for expanding the government as early as next year. No one in the KRF group believed this would happen. Very few Conservatives envisioned such a possibility either, while the attitude in

SP is somewhat mixed. Another interesting aspect of this survey was that there is no strong sentiment in KRF for entering into any government cooperation at all with the Conservatives in this period. And since the congresses of the two parties must take a stand on what authority to give the party leadership and the Storting groups on the government issue, the attitudes in these groups will also be of decisive importance. But as of today, it looks as if Willoch will still have an all-Conservative government when next Christmas rolls around.

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CSO: 3639/47

SUTELA ADDRESS VIEWED: PERHAPS CRUISE MISSILE DEFENSE POSSIBLE

Helsinki HUFVUDSTADSBLADET in Swedish 25 Nov 82 p 2

[Editorial by Jan-Magnus Jansson]

[Text] It is a welcome sight to see the military authorities making a contribution to the discussion concerning the possibility that Finland might be subjected to a nuclear attack and the consequences of such an attack, writes Jan-Magnus Jansson in this commentary on Gen Lauri Sutela's speech.

The address delivered by Gen Lauri Sutela, commanding general of the Armed Forces, at Monday's opening of the current military course must be seen as significant. In the first place, it was the first time that the military authorities had made a rather complete statement of their position on the controversial question of whether it is conceivable that Finland might become the target of a nuclear attack and of what that means for our preparedness. In the second place, a careful study of his address allows one to draw from it a great many nuances that are interesting in themselves.

Perhaps it can be said that a similar statement of position by the military authorities would have been welcome had it come some time ago. There was an impression that the official bodies responsible for our military preparedness were avoiding the issue--perhaps so as not to spread panic--although the report by the third parliamentary defense committee does contain references to the nuclear risks.

One result is that the discussion has been carried on chiefly on the "civilian" side and especially by those who, for one reason or another, have adopted a critical or negative attitude toward our defense policy. General Sutela said in his address that the discussion has brought out "a genuine and understandable concern" over the fact that our country might be affected by a nuclear war. But, he continued, the discussion has also included intentional scare propaganda and an intentional underestimation of our possibilities for defending and protecting ourselves.

Anyone who has followed the public debate must see that General Sutela's tough judgment is not unreasonable. But there have been few downright malicious statements in the debate. In most cases, even in circles where the attitude is not

one of military nihilism, the question raised has been that of whether a conventional defense is of any use at all in the present situation. If a European war is going to bring doomsday anyhow--an orgy of nuclear destruction that will strike indiscriminately--what is the mission of a small country's small army in such a context?

That argument may sound plausible. But it has its obvious flaws. Quite apart from the fact that a conventional defense force also has duties in peacetime that no one denies (protecting the country's territorial integrity), one cannot avoid the fact that every country maintains a more or less strong defense force. Among our neighbors, Sweden has comparatively sizable conventional forces, not to mention the Soviet Union, which has the world's strongest conventional armed forces. It cannot be assumed that conventional defense forces, with all the resources they swallow up, are maintained in all countries as a matter of routine and without any real purpose.

There are countless more or less probable "scenarios" concerning the "next war." A common feature in most of them, however, is that they do not exclude the possibility that the war will be fought at least in part between conventional forces. The approximately 150 wars which have actually occurred since 1945--and which Istvan Kende, the Hungarian peace researcher, recently reminded us of--were all conventional in character. It is certainly true that a European war of the kind taken for granted by our defense plans (which do not operate on the assumption that Finland will be subjected to a separate attack) will in all probability have a nuclear element. One possibility, for example, is that the war will start as a predominantly conventional war with the deployment of tactical nuclear weapons in the theater of operations and that it may be accompanied by isolated attacks using long- or medium-range nuclear weapons. The "unthinkable"--massive nuclear war--may be saved until a later stage. Until that stage is reached, however, small countries may have a use for their armies.

So if the danger of a nuclear war is not sufficient reason for scrapping our conventional defense forces, the next question is this: how probable is it that nuclear weapons will also be used against Finland? General Sutela's answer is that the risk of Finland's becoming the target of a nuclear attack is very small, "since there are no foreign troops on our territory, and our own defense measures do not constitute a threat to anyone."

The statement quoted above is naturally of fundamental importance, since foreign troops or their installations might be viewed by the opponent as a legitimate target for nuclear attacks. We will not argue that possibility here. Otherwise, one can agree with Sutela that our country as such is not likely to be viewed as an important target of nuclear attack. But even if that is true, it must be remembered that we are in the immediate vicinity of a number of one of the superpowers' military and civilian centers and that--even though modern missile-borne nuclear warheads are programmed to hit specific targets--there is always the possibility that nuclear explosives might strike our territory by mistake. Neither can any small country be sure of not becoming the subject, at some stage, of "nuclear blackmail"--that is, the threat that it will be the target of nuclear attacks if it does not comply with certain military or political demands.

Finland's first "line of defense" against the risk of nuclear attacks naturally lies in using diplomatic means to obtain the best possible guarantees. That is why the [nuclear-free] zone plan is so important to us. But if we disregard that for the moment and consider the physical guarantees, things are naturally just as Sutela says: we cannot demand of our defense forces the ability to ward off a massive nuclear attack, especially since no other country is capable of doing it, either. In his address, the commanding general of the Armed Forces did not mention cruise missiles in particular, but perhaps an exception should be made for them if they try to enter our airspace at low altitude during a war.

We wholeheartedly agree here with what Sutela says about the passive aspect of defense--about the absolute need to protect soldiers and civilians for as long as we can from the consequences of nuclear war. The most probable situation, as he says, is that we will suffer the indirect effects of a nuclear attack on targets outside our borders. That same protection must exist in case we are hit directly. Although it is true that complete safety from the consequences of a nuclear attack can never be achieved, it would--to quote Sutela--be "irresponsible" not to take advantage of every opportunity to protect the population from, for example, radioactive fallout, radiation, heat waves, and shock waves for as long as possible.

As we said, we welcome the statements made by the commanding general of the Armed Forces in this instance. We believe that the time has passed when statements on the subject might cause alarm. That alarm already exists everywhere in society. An objective discussion of "the unthinkable" is therefore justified in our country.

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CSO: 3650/69

OFFICIAL DISCUSSES SOLUTIONS TO AIR FORCE PILOT SHORTAGE

Oslo AFTENPOSTEN in Norwegian 28 Dec 82 p 4

[Text] "The only way we can solve the problem of air force pilots in the long run is to train enough pilots. Some short-term measures, such as improving pay and working conditions, can solve some of the most acute problems. We will propose some measures of this kind," undersecretary Oddmund Hammerstad of the Defense Ministry told AFTENPOSTEN. But Hammerstad rejected extending mandatory service as a solution to the pilot problem.

Hammerstad is chairman of the internal committee that was set up in the ministry to look into wage and working conditions for air force pilots and he said that the committee has now concluded its work. The final draft of the report is not yet finished and before it can be turned over to the defense minister, it must be sent to the air force staff and the Supreme Command of the Armed Forces for comments. But Hammerstad estimated that the report could be submitted by the end of next month.

"We cannot achieve a completely satisfactory solution to the pilot problem as long as there are not enough pilots to fill the positions in civil and military aviation. Therefore the only long-term solution is to train a sufficient number of pilots. Today it takes 5 to 6 years to train a pilot and pilots are required to serve in the air force for 8 years."

Is consideration being given to solving the short-term problem by extending the period of mandatory service?

"A mandatory service period of 8 years is a long time to begin with, even though the pilots undergo an expensive training course. The committee did not think it was relevant to evaluate any expansion of this mandatory period of service."

What short-term measures might be relevant in an effort to improve the situation?

"The committee will indicate some concrete steps that can moderate the problems. But there is no single solution that can remove the problems

that exist today in military aviation. The wage differences between pilots in the armed forces and those in civil aviation are obvious and although it may be relevant to do something about this, it is quite outside the framework within which the military operates to offer wage and credit conditions that even come close to those offered in civil aviation. And such questions cannot be decided by the Defense Ministry alone. Therefore we are thinking of involving other ministries and perhaps Storting as well in order to clarify some of the questions concerning wages and other compensations offered to pilots in the armed forces," said Hammerstad.

"There are also other more social conditions that could help make flight service in the armed forces more attractive, such as a moderation in the assignment system. Quite separate from the work being done by the internal committee that will now submit its recommendations, work is being done in the ministry on a revision of the entire officer system in the armed forces and some of the pilot problems could be solved as part of that work. For instance, it would be possible to implement some measures earlier for the air force, such as a moderation of the assignment rules.

"But we must not exaggerate the problems involved in the transfer of pilots from military to civil aviation. The defense system has a vital interest in having both fighter pilots and pilots attached to the rescue service enjoy their job and in having them well-motivated. We are now seeing pilots returning to the armed forces from civil aviation too. They want greater challenges instead of just being 'chauffeurs' of civilian planes," said Hammerstad.

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CSO: 3639/45

MILITARY

NORWAY

BRIEFS

ARMY ORDERS MORE BOFORS RBS 70S--The Norwegian Army has ordered a new delivery of the laser-powered weapons system, RBS 70, from the Swedish Bofors concern. The order is worth about 300 million kroner and also involves a cooperative agreement with Kongsberg Vapenfabrikk, Inc. The agreement will have direct consequences for the Narvik section of Kongsberg Vapenfabrikk, which has been working beneath capacity lately, leading to layoffs and dismissals. Division chief Jens Ch. Width of Kongsberg Vapenfabrikk told AFTENPOSTEN that the agreement is not big enough to solve all the problems of the Narvik division, but it will ease the situation considerably. The agreement includes a contract worth 80-90 million kroner for the Narvik division, which will provide employment for 30 people over a 4-5 year period. "There will still be underutilization, but the agreement will at least help keep operations going," said division chief Width. Similar agreements have been signed in the past, but they were not this big. This time the agreement involves sizable subcontracting orders for weapons systems, among other things. The agreement also calls for Bofors to maintain the Norwegian RBS 70 missiles up to the year 2000. [Text] [Oslo AFTENPOSTEN in Norwegian 24 Dec 82 p 15] 6578

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